

COUNCIL MEETING

MARCH 13, 2019

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Chair Arryl Kaneshiro at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, March 13, 2019 at 8:34 a.m., after which the following Members answered the call of the roll:

Honorable Arthur Brun (*excused at 2:02 p.m.*)
Honorable Mason K. Chock
Honorable Felicia Cowden
Honorable Luke A. Evslin
Honorable Ross Kagawa
Honorable KipuKai Kuali'i
Honorable Arryl Kaneshiro

APPROVAL OF AGENDA.

Councilmember Kuali'i moved for approval of the agenda, as circulated, seconded by Councilmember Cowden.

Council Chair Kaneshiro: Is there anyone in the audience wishing to testify?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Seeing none, members, is there any discussion on the agenda?

The motion for approval of the agenda, as circulated, was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried.

MINUTES of the following meeting of the Council:

February 20, 2019 Public Hearing re: Bill No. 2733

Councilmember Kuali'i moved to approve the Minutes as circulated, seconded by Councilmember Brun.

Council Chair Kaneshiro: Is there anyone in the audience wishing to testify on the Minutes?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Seeing none, is there any discussion from the members?

The motion to approve the Minutes, as circulated, was then put, and unanimously carried.

Council Chair Kaneshiro: Motion carried. Next item.

CONSENT CALENDAR:

C 2019-45 Communication (02/05/2019) from the Mayor, transmitting for Council consideration and confirmation, the following Mayoral appointments to the various Boards and Commissions for the County of Kaua'i:

a. Board of Water Supply

- Kurt S. Akamine – Term ending 12/31/2021

b. Charter Review Commission

- Lori K. Koga – Term ending 12/31/2021

c. Salary Commission

- Leland K. Kahawai – Term ending 12/31/2021

C 2019-46 Communication (02/14/2019) from the Director of Finance, transmitting for Council information, the Condition of the County Treasury Statement quarterly report restated as of February 8, 2019, inclusive of unreconciled Condition of Treasury Statements as of February 8, 2018, May 11, 2018, August 7, 2018, and November 21, 2018.

C 2019-47 Communication (02/14/2019) from the Director of Finance, transmitting for Council information, the Period 6 Financial Reports – Statement of Revenues, Statement of Expenditures and Encumbrances, Revenue Report, and Detailed Budget Report as of December 31, 2018, pursuant to Section 21 of Ordinance No. B-2018-841, relating to the Operating Budget of the County of Kaua'i for Fiscal Year 2018-2019.

C 2019-48 Communication (02/19/2019) from Councilmember Evslin, providing written disclosure of a possible conflict of interest and recusal relating to Bill No. 2733, as ruled on by the County of Kaua'i Board of Ethics at the February 15, 2019 County of Kaua'i Board of Ethics Meeting.

C 2019-49 Communication (02/19/2019) from Council Chair Kaneshiro, providing written disclosure of a possible conflict of interest and recusal relating to C 2019-44, Dedication Deed by Grove Farm Land Corp., conveying to the County of Kaua'i Lot 1516 Kolopa Street extension, Lihu'e, Kaua'i, Hawai'i, Tax Map Key (TMK) No. (4) 3-3-010-049 (por.) for roadway purposes, as he is employed with Grove Farm, Incorporated.

Councilmember Kualii moved to receive C 2019-45, C 2019-46, C 2019-47, C 2019-48, and C 2019-49 for the record, seconded by Councilmember Brun.

Council Chair Kaneshiro: Is there anyone in the audience wishing to testify on the Consent Calendar?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Seeing none, is there any discussion from the members?

The motion to receive C 2019-45, C 2019-46, C 2019-47, C 2019-48, and C 2019-49 for the record was then put, and unanimously carried.

Council Chair Kaneshiro: Motion carried. Next item.

COMMUNICATIONS:

There being no objections, C 2019-52 was taken out of order.

C 2019-52 Communication (02/20/2019) from Council Chair Kaneshiro, requesting the presence of Thomas Williams, Executive Director of the State of Hawai'i Employees' Retirement System (ERS), to provide a briefing on the State ERS and the financial implications to the County of Kaua'i.

Council Chair Kaneshiro: May I get a motion?

Councilmember Kualii moved to receive C 2019-52 for the record, seconded by Councilmember Chock.

(Councilmember Brun was noted as not present).

Council Chair Kaneshiro: Tom is going to be first on the agenda; he flew in from O'ahu. We will go through Tom's presentation and hold our questions until the end of the presentation. If you have questions on certain pages, mark it, and we will go back. With that, you have the floor Tom.

There being no objections, the rules were suspended.

THOMAS WILLIAMS, Executive Director of the State of Hawai'i's Employees' Retirement System (ERS): Thank you so much. Chair, members of the Council, *aloha*. I am Thomas Williams the Executive Director of Employees' Retirement System. It is really a great honor for me to be invited here again to update you on the status of the Employees' Retirement System. I am very proud of the system for a whole variety of reasons. Key amongst them is the recognition of how important these benefits are, not only to the member stakeholders, but to the entirety of our State. You as employers contribute significantly to these programs. These programs correspondingly generate significant economic benefit across the entirety of the State. There is a multiplier effect of almost seventy percent (70%). For example, every dollar that we pay out in benefit is, you know, the significant majority is generated from investment earnings. Not to differentiate us from other State agencies, but we are in fact, one of those agencies for which the contributions that you make are multiplied. We actually generate money and that money is used to support your County employees, and State workers across the State. Before I begin, apart from the expression of gratitude to yet again have the opportunity to update you, I wanted to recognize a couple of colleagues of mine, who are in your service on a day-to-day basis and that is Sheri Kunioka-Volz who staffs our Kaua'i office here; and of course, Michelle Hinazumi, who works in the office also. They are the ones that do the heavy lifting day-to-day. I am so proud of what they do for you and for our organization. We have an agenda that I will illustrate briefly and perhaps you have a hard copy before you. It is not intended to be constraining. I know you have lots of other business to attend to today, so I know we will not spend the entirety of it on the Employees' Retirement System. I want you to feel comfortable if there are issues that are not in the formal agenda and at the appropriate time as the Chair suggests and permits, feel free to ask any and all questions that come to mind. I realize there are a number of new Councilmembers. These programs are sometimes perceived as rather complexed. I will do my best to demystify that to the extent I can. That is what the agenda looks like and we will give you a little bit of background on the system and then begin to focus on some of the specifics as they relate to the County of Kaua'i. Just more broadly, the membership is significant. We have one hundred forty-one thousand (141,000) almost one hundred forty-two thousand (142,000) members. That is sixty six thousand (66,000) active employees, forty-eight thousand (48,000) retirees and beneficiaries; surviving spouses and others, and of course about twenty-seven thousand (27,000) individuals who have accumulated benefits in the system who have terminated their employment and may come back and secure additional service, or for whom refunds may be warranted. One hundred forty-one thousand (141,000) is a pretty significant number because we have about one million four hundred thousand (1,400,000) people as a population in the State. So that represents about ten percent (10%) of the State population is in this retirement plan. When you consider average family size is about two point eight (2.8), it is easy to infer that almost a third of the State is in a household that is directly impacted by the benefits that this program generates. About one million four hundred thousand dollars (\$1,400,000)...one billion four hundred million dollars (\$1,400,000,000) a year is being currently paid out in benefits. This outlines the ERS Membership. I mentioned it earlier in terms of the total one hundred forty-one thousand (141,000). It is attempting to illustrate how that membership has grown since 2005-2018. Back in 2005, there were one hundred one thousand (101,000) members. We are now almost one hundred forty-two thousand (142,000) members.

That is a forty percent (40%) growth rate over that twelve/thirteen (12/13) year period. The next slide focuses on the retirees, and this is significant because we are a fairly mature plan. When plans are first implemented, they have more workers than they have retirees. We still are in that circumstance, but the ratio is shifting because we are increasingly growing our retiree population. As this particular slide shows back in 2005, we had about thirty-three thousand (33,000) retirees, and we have forty-eight thousand (48,000) retirees today. That is a forty-six percent (46%) increase in the numbers of retirees over that timeframe. What is also significant about that, and I think it may be illustrated on this next slide, is of those sixty-six thousand (66,000) active employees, fourteen thousand (14,000) of them are eligible to retire today. They have years' of service and the achieved age at which they can retire. So twenty-one percent (21%) of our employee population could elect to retire today and begin receiving benefits. That would have implications in terms of our investment program, our payouts of benefits, and the like. I do not have any sense that they are all planning to depart immediately, but it is something that we factor in when we look at our forecast financially and demographically. We are paying out one billion four hundred twenty million dollars (\$1,420,000,000) in 2018 to our retirees and that will be three billion five hundred million dollars (\$3,500,000,000) in thirty (30) years. The average annual pension is about twenty-eight thousand dollars (\$28,000) almost twenty-seven thousand dollars (\$27,000). There is a significant disparity as you can imagine in the pension from the top to bottom. We have a number of members who receive pensions well in excess of one hundred thousand dollars (\$100,000) a year, and some significantly more meager than that twenty-eight thousand (28,000), but that is the average. To the extent that folks believe these programs are overly generous and broad and that everyone is living the life of luxury in retirement is not actually so. Obviously the results differ depending upon your work experience and your salary levels and the like. A little bit about the assets. We are fairly substantial financial institution. We have sixteen billion six hundred million dollars (\$16,600,000,000) in assets as of June 30th of last year. The return, the investment income on those assets last year was seven point nine percent (7.9%). You know, it was good. We expected to forecast that on an average basis that we are going receive seven percent (7%) a year. That number was lowered a couple of years ago, I think, beginning in 2016 from seven and a half (7 ½) down to seven (7). We think it is reasonably conservative and attainable. It is difficult to achieve with regularity. It is over a long period of time that we anticipate that to be derived. This sort of illustrates why we do not get that in any single year. If you were to look at the blue line, that represents the seven percent (7%) expected annual average return. We probably seldom have been within three hundred (300) basis points of that seven percent (7%). As you can see significant volatility above and below that seven percent (7%) blue line. Over the last five (5) years, we averaged about eight point two (8.2%), six point two (6.2) return over the last ten (10) years, and for June 30, 2018, that lower number is reflective of the great financial crisis 2008-2009, and so that brings the average down somewhat. It will go up as those members drop off and we look at a ten (10) year period. Over the fifteen (15) year period, it is a seven point four percent (7.4%) return, which is in line with the seven percent (7%) that we are assuming. It kind of supports that it is a reasonable assumption to embrace because our long-term experience is consistent with that.

The funded status. The funded status relates to the ratio of assets to our liabilities. If we had every dollar we needed to pay, all of the liabilities of benefits we have promised and that are owed to our members, we would be one hundred percent (100%) fully funded, but we do not have that. We actually have liabilities of almost thirty billion dollars (\$30,000,000,000), assets of sixteen billion five hundred million dollars (\$16,500,000,000). That leaves a gap of about thirteen billion four hundred million dollars (\$13,400,000,000), that is our unfunded actuarial accrued liability and that is the number that gets all of the attention locally and nationally for public pension plans around the country. It is a challenge to close that gap, to amortize that unfunded liability. I have testified here before that the reasons for that unfunded liability relate to skimming that occurred for a significant period of years, I think thirty-six (36), thirty-seven (37) years. The legislature would take earnings...well, any earnings in excess of the assumption would be...the contribution would be reduced thereby. So if we assumed eight percent (8%) return, and let us just say we got two hundred million dollars (\$200,000,000) more in earnings above the eight percent (8%), the State would lower its contribution by that two hundred million dollars (\$200,000,000). So all of the upside was sort of siphoned off and when the down side occurs there was no supplementation and there was no money put back in. A number of organizations around the country saw these in a rosy circumstance or in a light that you know things will continually improve and sometimes you just do not anticipate recessions and other economic downturns that are a reality, quite frankly. Therefore, we are paying the price today for some of those behaviors in the past. I mentioned the funded ratio assets to liabilities. We are currently have fifty-five point five percent (55.5%), meaning we have got fifty-five cents (\$0.55) for every dollar that we owe. The differential is made up in employer contributions, employee contributions, and investment earnings. I am not pleased to highlight that we are in the bottom quartile of public pension plans around the nation at our funding level, but with the contribution increases and new tiers of benefits, and the reforms that occurred in 2012, we are on a path toward full funding and we expect if all assumptions are realized to be fully funded within twenty-five (25) years. The actuarial target is no greater than thirty (30) years. Well, we are moving, hopefully, each year closer to that full funding target where in 2043, we should owe no further unfunded liabilities on our plan. This is a slide that compares the actuarial evaluation that was done as of June 30, 2018 to 2017. Both expected in actual results. Just to look at 2017, we see that we had an unfunded liability of twelve billion ninety hundred thirty million dollars (\$12,930,000,000) and it is now thirteen billion four hundred million dollars (\$13,400,000,000). You know, we had a good year. Why did we go up? Well, it goes up and is expected to increase each year for the next four (4) to five (5) years, actually to 2023, and then it starts to go down because the new contribution increases are kicking in, and as those kick in, we will begin to amortize some of the accrued interest and then the curve will decline and begin to decline rapidly. We fully anticipate the unfunded liability is going to go up through 2023 and then begin to taper down. I have got some slides that show that. The funded ratio, we talked about fifty-five (55) to twenty-five (25) year period to full funding and that is what we expect and that is what we realized. We mentioned here a smooth value of assets and market value assets. They are very close this year. Sometimes there is a disparity between those two. There is an actuarial practice of trying to average out gains and losses over some timeframe usually four (4) to five (5) years. We use a four (4) year smoothing period, so that twenty-five percent (25%) of any increases above

the assumption are spread over four (4) years and losses below the assumption is spread over four (4) years. So you do not have the volatility in contributions. If we were to reflect every gain and every loss in the required contributions, your contribution rates would do like that and you would not have any predictability from a budget perspective. So this is routinely embraced actuarial methodology to smooth, but it is creating no difference in terms of value because right now the actuarial and the market value are pretty much right on top of each other. The retirement programs are mathematical in their origin, but it incorporates a significant number of assumptions. We always true-up at the end of every year to see what really happened. We have this necessity to forecast, and I just wanted to illustrate to you the things that have the biggest impact in terms of how much money it takes to fund the system and how long it takes to achieve that full funding? The biggest end number no question, or the biggest impact is from investment returns. That is why the investment program of our system is so vitally important. At another opportunity I will argue for investments and our investment program, which the State has not supported as aggressively as I think they need to going forward. Again, the majority of every dollar comes from the investment program and our investment programs have grown, the assets that we are managing are significant, the complexity of those assets, and they are no longer just stocks and bonds. It is a global investment program with private equity, real estate, private debt, and options and puts. I mean all kinds of financial instruments. Appropriate for a pension fund investment, but those are the types of investments you have to be able to be exposed to in order to achieve a seven percent (7%) return. If you wanted to play it fully safe and just invest in treasury notes, you know you would be getting about two percent (2%), two and one quarter percent ($2\frac{1}{4}$) on your return as opposed to seven percent (7%). So there is some level of risk that must be taken in order to achieve the reward, the return that we are looking for. After investment return, life expectancy is the next biggest impact. Of course, that is a good thing when people live long. Hawaiians or people in the State of Hawai'i have the highest life expectancy of anyone in the nation; number one (1). So our membership live longer than average membership in any other State in the nation. It is a good air and water and *aloha* presumably that adds to all of that, but it means that we have to pay benefits for longer periods of time. Meaning that we have to earn more money, which is good thing. That is our charge.

Payroll growth. Payroll growth relates to the growth in the member population so as the State or the County's grow their population two percent (2%), three percent (3%), member population means more contributions are coming into the system to help cover the cost of benefits and the payoff unfunded liabilities. Payroll growth is important for a couple of reasons. There is a new tier of benefits and we will illustrate this a little later on. There are higher...better level of benefits for people who are hired prior to July 1, 2012 and those after get a very generous plan, but it is less generous than those prior. The contributions that are being made by the current group of new hires since July of 2012, fifty percent (50%) of every dollar that is contributed on their behalf goes to pay the unfunded liability for the people who were hired prior. So payroll growth is important because it helps to amortize that unfunded liability more quickly. Individual salary increases. That is also a big number. So we assume a salary growth rate in the system and to the extent salaries grow less rapidly. There is an actuarial gain we benefit to the system, but if they grow more rapidly, there is an actuarial loss and we lose, and the liability goes up. I

think you will see later in the presentation that salaries in some classifications have grown more quickly than the actuarial assumptions would suggest, but we do an experience study. In the past, we have done those every five (5) years, at present we do them every three (3) years, and try to true-up the actual experience to what we forecast. So if we are thinking it is going to grow at three percent (3%) and it is actually been three and one half percent (3.5%), then we update our factors and our assumptions. We also talk, of course, with the State and the Counties as to what they are expecting as it relates to salary increases. We participate in some of the arbitration hearings because it is a significant component of total compensation, the health care benefits, and the retirement benefits. One of my jobs more recently is to be an expert testifier at these arbitration hearings so that people understand the full cost of salary increments. It is not only the direct salary, it is the benefits that accrue from those salaries, the retirement and health insurance, and the like. Of course those are important not only because of their direct costs, but our ability to fund these liabilities impacts the States and the County's borrowing cost. The rating agencies the Moody's, Fitch, and S&P, one of their major considerations is the employer capacity to address the unfunded liabilities in uncertain economic times. When there is a recession that occurs, do you have a funding plan, a policy? Do you have reserves? Do you have the capacity to continue to make the contributions? More recently the State issued some, I think just under one billion dollars (\$1,000,000,000) in bonds and all of the rating agencies affirmed the State's rating very, very strong and suggested that it was well prepared to sort of suffer through and manage a downturn in the economy. We have also done some stress tests that show how that would affect the retirement fund as well.

I mentioned mortality improvements. This is looking at longevity for teachers, general employees, Police and Fire. Those are the three blocks in each of those age categories. The slightly light shaded bars at the top show the improvement since 2005 versus 2015. So if you were to look at the far left, a person retiring at age sixty (60) in 2005 would have been expected to live about twenty-five (25) years. At age sixty-five (65), they would have been expected to live about twenty-five (25) years, but in the ten (10) year period, the life expectancy has increased one point four (1.4) years for teachers, one point eight (1.8) for general employees, and two point three (2.3) for Police and Fire. There is a whole lot of reasons for those improvements. Police and Fire, better safety equipment and health care, and some of that applies across the board. The younger you are, the larger the increase was in terms of expected longevity and that continues to grow. So for the folks that are coming onboard today are expected to live significantly longer than the cohort who was employed ten (10) years ago, and we factor that into our models. This shows the compensation salary increases by Police and Fire, the dark or red bar; teachers, the green light green; and the general employees, dark green. You can see it varies substantially year by year. This goes from 2009 to 2018. If you look at 2012 and 2010 there is some negative years. I believe those relate to some furlough years where the payroll was less. This is reflective of the total payroll and because some employees and teachers and others were required to furlough, we did not get the payroll that we would have so that is the negative there. If you were to look at the chart at the top of the page and I need to move on here to that. The chart at top of the page shows what the assumptions are for salary growth, salary increase, what the actual average has been, and the average over the last three (3) years. If you were to look first at

general employees, the actual average salary increase has been about two point eight percent (2.8%) and we assumed three and one half percent (3.5%). That would represent an actuarial gain. Over the last three (3) years, the actual average has been four point two percent (4.2%). It was two point eight percent (2.8%) over this period from 2009 to 2018, but over the last three (3) years, it has been four point two percent (4.2%), which is about a twenty percent (20%) increase above what we had assumed. Same thing for teachers. Teachers, the actual average was two point eight (2.8) over that ten (10) year period roughly. The current assumption is that they are going to have salaries grow by three and three quarters percent (3.75%) and the actual was four point one percent (4.1%) and I believe that is about a nine percent (9%) differential. For Police and Fire, where the actual average was five point eight (5.8), we assume a five (5), but the actual over the last three (3) years has been seven point four percent (7.4%). That is forty-eight percent (48%) above what we actually assumed. So there is significant liabilities and costs accrue because of salary increases higher than what we assumed. I am not suggesting in any way these increases are not deserved, but it has an impact on the cost of the plan. So to be aware of these costs is what is significant for your responsibility as leaders and Councilmembers. I do not want to overstate the cost just to the employer because the employees contribute to the plan as well. This chart shows what employees contributing both pre and post July 1st of 2012, depending upon the classification of which plan they are in. So as you can see some general employees in the hybrid plan contributed six percent (6%) before and now contributing eight percent (8%). Judges were contributing seven point eight (7.8) and they are now nine point eight (9.8), and that is just largely for reference purposes. Employer contribution rates. I mentioned that one of the reasons we are addressing our unfunded liability is because employer contribution rates are increasing. I think it was Act 17 in 2017 that mandated increased employer increases for both general employees and Police and Fire. We right now are in the middle of that July 1, 2018, where the Police and Fire contribution rate employer rate is thirty-one percent (31%) and it is nineteen percent (19%) for general employees. As you can see that is expected to increase to thirty-six percent (36%) and twenty-two percent (22%) respectively next year. It will finally end in 2020 at forty-one percent (41%) for Police and Fire, and twenty-four percent (24%) for general employees. I recognize those are difficult to sustain. I mean, this is something that competes with every other need, including health insurance. I believe if you were to add the Retirement Program, Health Insurance, Debt Service, and Medicare; you would have about fifty-two percent (52%) of the revenues of the State directed to just those. So to the extent you have to fund education and infrastructure and other services, you know, there is not an awful lot of latitude left. So this relates to why I said the investment program is so important. We cannot increase contributions anymore. I would not want to have to because it is already amongst some of the highest in the nation. They are necessary and they need to be sustained, but we have to find other ways, and the only way to lower the plan's cost is to earn more, or to decrease the benefits. So we decrease benefits for future new members. There is some capacity to change benefits for existing workers, but only prospectively because there are constitutional guarantees for benefits that have already been accrued. So anything that you have earned to-date cannot be reduced, but even for prior to July of 2012, you can lower benefits going forward, but not retrospectively. That is not a popular discussion. If we had to do that that would obviously be on the table, because if you cannot increase contributions, you have got

to find other levers to pull. The one I want to pull relates to a reasonable investment and our investment capabilities because it is a big return on the investment. It shows for 2018 the County and employer contributions is eighteen million dollars (\$18,000,000). The number below that is for all employers. It does not include employee contributions, which gets us up to about one billion two hundred million dollars (\$1,200,000,000) when you add employee contributions to it. So those are significant numbers and I need not to convince you of that.

This chart shows the participation in the plan by age, by benefit plan, and your participation if you are a retiree, active, and if you are in a previous plan or one of these post-2012 hires. As you can see, the red numbers are the 2012 hires and later. They are becoming an increasingly large part of our membership. They actually represent just shy of a third of our membership. So as they more represented in our program, the cost of funding their benefits goes down because they get lesser benefits and contribute more. The flipside of that is this slide. Now the post-2012 people are barely visible. This relates to the liabilities. Where are the liabilities of the plan resident and there resident for all of those prior generations? So the post-2012 hires represent about a third of the participants, but only about six percent (6%) of the liabilities. The liabilities tend to be toward the older prior tier of workers. That is where some of the concern continues to lie when we talk a little later about some of the excess costs that are resulting from something called pension spiking, which I think I know is a concern of the Chair and other members here. That is going to be illustrated in this next slide.

This is the estimated cost to the County for...well, not for pension spiking. This is total contributions. This is how they are going up each year over the next four (4) years. So twenty million dollars (\$20,000,000) this year, twenty-four million dollars (\$24,000,000), twenty-seven million dollars (\$27,000,000), almost twenty-eight million dollars (\$28,000,000), and then twenty-nine million dollars (\$29,000,000) for the plan. This represents the County's expected cost to fund the pension plan and when it gets to the 2022 period, it would of course stay at that level and only increase to the extent that your population of payroll increases. This is the spiking costs I alluded to. We have a projection of what normal benefits are and what your base pay is and to the extent that people in their final compensation earn significantly above that as a result of excess compensation or overtime et cetera. It ratchets up their benefits dramatically and correspondingly ratchets up the liability, because no contributions have been made prior, because contributions are made over a career, based on their current salary, and then all of a sudden, the last year your salary goes up. There is no way for the contributions to make up for that dramatic increase, because those contributions are invested over the entire career of the worker and those contributions are now attributed to a much bigger base and it is only for a year or two. It creates a dramatic increase in the liability. A law was passed to allow the system to charge the employers for those spiking costs. The additional, it is the cost, the net present value of these additional benefits and that is what we charge back to you and employers. You can see in 2014 there were seven individuals who were spiking and it was two hundred thirteen thousand dollars (\$213,000). In 2015, twenty-four (24) for one million one hundred thousand dollars (\$1,100,000). In 2016, ten (10) people but the numbers were not as egregious, but higher than 2014. You can see in 2018, two million dollars (\$2,000,000) and two million four hundred

thousand dollars (\$2,400,000) for twenty-one (21) individuals. We calculate that on an individual basis and we have been working with your finance team here to validate these numbers giving them the data on the individuals who have created these particular additional benefits and corresponding costs. It is a concern to the extent that you can control that, we certainly would encourage it. Even though you pay us, we pay guaranteed benefits for life. So you give us one dollar (\$1) today, I do not know if it is really going to be accurate and adequate to pay for increasing life expectancies and we do not know what the investment results are. The plan takes the risk, even though the employer makes a significant contribution, the recipient, the retiree gets a wonderful lifetime guarantee that we are all responsible for shouldering. The projected funded ratio from this 2018 on the left, it just shows again that we are go to be fully funded in 2043. We would be one hundred percent (100%) fully funded if all of the assumptions are met.

This next slide shows the sensitivity of investment returns. I suggested that they had the biggest impact on funding period. If we get our seven percent (7%) investment return, we will be fully funded in 2043. If we were only to assume six percent (6%) over that period, it would take us until 2051 to get fully funded. If we only earned five percent (5%), actually it would take us to 2075. The sooner we can get the full funding the better because every year subsequently multiple billions of additional dollars that you have to pay on the unfunded actuarially accrued liability. The longer you defer paying that mortgage the more you pay in interest. The sooner we can address that the better. Next year's outlook is getting closer to the end of the fiscal year, but because of some volatility in the market, and in December we began to do some illustrations what will happen if we do not get our seven percent (7%) this year. I think, and I will not spend a lot of time, but what I think it illustrates is it will not be big changes in the system if we were to miss our earnings assumption which shows here seven percent (7%), two percent (2%), zero (0), even negative two (-2) and five percent (5%). Funding ratio does not change appreciable from fifty-five (55) down to fifty-four (54). The funding period does not change appreciably next year if we have zero (0), we would still be at twenty-five (25). It is the long-term that really matters. Short-term we can endure the volatility and longer term would have a deleterious effect on the funding period of the organization. You know, December was one of the worst Decembers in market history, I think, in several decades. January was one of the best Januaries in several decades. The losses that were incurred have been recouped in January and February and what is going to happen in the rest of the fiscal year, your guess is better than mine probably. We do an actuarial stress test each year. The legislature requires to show how the plan will perform in adverse economic environments. If we were to realize our assumption, if we were to earn twenty percent (20%) less and if assets were to drop twenty percent (20%). We would have earned two percent (2%) less, so five percent (5%) for twenty (20) years and a whole variety of scenarios. It shows that our plan is sustainable even in these adverse economic scenarios. It cost a lot more money, but it would not be at risk of running out of money. It would not be in a net amortization circumstance where we could not pay benefits to our members. That is an important outcome and one view of the system that is important to the public and the legislature to determine that the plan is sustainable. If we are at-risk of running out of money, then we need to be looking at alternatives and doing it right now. The ERS legislation is not a big legislative year for us, but often times, Bills are implemented that do affect us. We

routinely find ourselves in a situation where we are trying to recover overpayments primarily due to death benefits quite frankly. We are paying retirement benefits and sometimes our members ultimately all do die, but we have to be notified and we have a number of services that we employ professional services, but they always are at a lag in some ways. We have between two (2) and six hundred thousand dollars (\$600,000) a year in overpayments. We recover about fifty-five percent (55%) of them. We are trying to strengthen our ability to recover those overpayments that stipulate those are debts owed and due to the ERS. There is a bill that would just clarify that and help us to recoup those benefits that are paid out improperly. There are not owned or rightfully to be received by the individual. Sometimes there are family members and others who keep getting the checks and say I did not know or whatever the case may be. We are trying to implement systems to reduce that. There is a bill called felony forfeiture and we did not introduce it, but it would allow a court to order the reduction and loss of some or all of the person's pension benefit if the individual were convicted of a felony related to their work. If they were working for the County and embezzled money from the County, there would be a capacity for the County to sue and to have that individual's pension forfeited. It would not impact the beneficiaries. Their spouses would be eligible for benefit is post the death of the individual that would not be impacted. There was the uniform freedom of information act that talks about deliberative process. The court really ruled that some of the confidential papers that were not subject to disclosure in fact are. There is a bill that was attempting to protect certain sort of formularize discussions. We think that is important and for a variety of organizations, but they are certain exceptions for the retirement plan as it relates to our investments. Many of the investments, ultimately are public, but as you are making the decision as to what to invest in and how much to invest in, you do not want to telegraph that in advance of the actual decision. Often times we are deciding that we do not like a particular investment and we have reasons why, those are things we do not want to publish either because they can hurt organizations and they can result in litigation if we cannot prove the validity of our views. If we think that the management is not performing well, you do not want to publish that in the Star Advertiser and have someone say you maligned their corporate reputation. So there are some exceptions that we already enjoy. There is a Hawai'i retirement savings plan. I think it would be focused on profit private sector employers and small employers. It would create a savings opportunity for their employees. It is sort of a defined contribution plan along with payroll deduction. Some employer match, if the employer wanted to but it is attempting to create an additional savings opportunity for private sector employees. It is a real crisis around the country. The overwhelming majority of workers do not have any money set aside for retirement. Our members are really properly, rightfully benefited, because it is going to be a horrendous circumstance when people are not able to support themselves in retirement. They are going to be drawing on the public services, whether it is welfare, or food banks, or you name it. These are important benefits that are earned and when they are managed properly, it has a significant benefit to the State. I guess we are at that point where the formal presentation is concluded, but I am certainly open to respond to questions that you have and I really appreciate you allowing me the opportunity to present.

(Councilmember Evslin was noted as not present.)

Council Chair Kaneshiro: Thank you, Tom. Thank you for that great presentation. We have you almost every year and it is a pleasure that you come down to kind of explain the situation on the ERS. I mean, every year we go through budget and we try to tell people our costs are going up. A lot of times, I do not know if the public believes us, but you have a presentation like this that shows what is actually happening with our employees costs and salaries. I think it is just validation that yes, there are increasing costs every year and it is very difficult to keep a budget flat.

(Councilmember Evslin was noted as present.)

Mr. Williams: You are absolutely correct, Chair.

Council Chair Kaneshiro: Thank you for all of the clarification; I think you added to your presentation from last year and I think it was a great presentation.

Mr. Williams: Thank you.

Council Chair Kaneshiro: So we will open up for questions. If you are able to say the page number and the question, or if it is just a general question. Councilmember Chock.

Councilmember Chock: Thank you, Mr. Chair. Mr. Williams, thank you for being here again. I really appreciate it. It is always informative and we always learn more each time you come about this hill that we have to climb. I think for the public to know, it is one of the biggest expenses that we actually have to look forward to every year in balancing our budget and why we are focused so much on it. Last year we were able to get a presentation from the Grassroot Institute of Hawai'i.

Mr. Williams: Yes.

Councilmember Chock: I am sure you are very familiar with their work and their presentation was "How to resolve Kaua'i Pension Debt Crisis." They pointed out a lot of the information that you shared today, all the way through spiking and so forth, and how the current system works. What I wanted to do is sort of move us towards some of what they are asking to look at terms of best practices. I will ask if you could pull up the last page of the presentation. I will just read them out here for the context for the questions I am asking. The first bullet item talks about creating a new pension plan that manage costs. I am not sure if this is feasible or to what direction we are looking at this? My understanding as a defined benefit plan, there are other options such as defined contribution, hybrid, and so forth; cash balance. What was particularly interesting to me was that Wisconsin under the same kind of plan define benefit is funding at ninety-nine percent (99%). Which I think is incredible, but they have some strict guidelines, I think, as well, that they are implementing. One of which is a cap on benefits at sixty-five percent (65%) of their pay and also adjustable contribution rates over time. So that is my first question is really about is that something we should be looking at in terms of the future and how it is? We know that those before 2012 are exempt. Let us take that question first?

Mr. Williams: That is a long answer. Well, I can give you a long answer to that one question. I would just like to say that the plan that we have got, a defined benefit plan, is widely viewed for State workers as one of the preferred vehicles for providing retirement income. I mean it shares the mortality risks, it has professional investment, we get lower costs, higher returns. So dollar-for-dollar, a defined benefit plan for a stable population is clearly the best plan. If you are a teacher population and you have to move from State-to-State to State, often times defined contribution plans. There are all varieties of versions in between those two. The Wisconsin plan is one of the best plans, I think, in the nation. You mentioned that they are almost one hundred percent (100%) funded and they are constantly at that level. What they have is something called cost sharing and benefit sharing. When the plan does well, the members do better. When the plan does less well, the members do less well. In other words, their benefits above a floor, they have a more modest guarantee as a base; then they say to the extent we earn more, we give it to the members, but to the extent we do not earn that, we lower their benefit back to that floor. Everybody can participate in the upside, but they also participate in the down to a floor. That gives them some cost control. Also for example, the cost of living adjustments. Prior to the mid-70's, these retirement plans did not have cost of living adjustments. Their inflation was not a big issue, but as inflation became a concern, particularly for retirees, they added post-retirement adjustments. Every year you get a two and a half percent (2.50%) increase in your benefit. That is extraordinarily expensive additional benefit. Many plans in response to the great financial crisis and these unfunded liabilities, have taken to reduce or even eliminate the cost of living benefit, because they say we cannot afford it. It is probably twenty percent (20%) to thirty percent (30%) of the liability result from our having to increase that benefit every year in retirement, you know, for the lifetime of our members. A lot of plans, say that is not a core benefit and we cannot afford it so they have adjusted that. Wisconsin does that. So to the extent that the plan can afford it, they pay it. If they cannot afford it, they do not. Our plan does not have that kind of built-in flexibility, but if we wanted to, we could. It would apply to new members going forward. So yes, we can look at defined contribution, hybrid plans, cost-sharing plans and we do, quite frankly internally, but it is controlled by the legislature in terms of plan design.

Councilmember Chock: Thank you. I appreciate that. So along the lines of trying to get the best out of even the current plan that we have, it sounds like the focus really needs to be on amending the constitution in order to allow some of this. One of the suggested practices is cap benefits at reasonable levels to protect against pension spiking. Instead of using Cost of Living Adjustment (COLA), using the minimum benefit level with investment (Inaudible) like you suggested is being done with Wisconsin. I wanted to know in terms of these potential changes, where they are at the State-level? Can we look forward to those kinds of reform in the future that would help us really start to level the playing field?

Mr. Williams: I would say those types of reforms are available. They are weighed by the Board all the time. We are constantly asking our actuaries to determine the cost and therefore, the savings impact of reducing overtime, eliminating overtime, conversion of sick leave to service. We know the impacts of all of those things, but it really requires a legislative initiative to make

those changes. Unlike the Wisconsin Board that determines what the benefit structure is going to be, our legislature determines that. An absent push of legislative initiative, we cannot make those changes. Our position has largely been to educate, to calculate the costs, to describe the options, but as a political matter, we have not pushed one or the other. We would like to see overtime eliminated going forward for all employees and conversion of sick leave. We would like to see those things and we have communicated that desire because it reduces the liabilities, another element of insurance, but it requires a legislative initiative to make that happen.

Councilmember Chock: Thank you. I think this is what some of those practices are. I think it is exactly what you said, the last bullet point is where you folks are focused your time and energy in providing assumptions and being able to adjust accordingly. Therefore, I really appreciate the work that your office is doing in trying to make those adjustments.

Mr. Williams Thank you.

Councilmember Chock: What I am hearing you say is really on the legislature and we really need to focus on some of these other reform pieces.

Mr. Williams: That is correct.

Councilmember Chock: Thank you very much.

Mr. Williams: Thank you, Sir.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Thank you for your presentation. In looking at page 20 of the presentation and it shows Act 153, 2012 Pension Spiking. I am very disappointed in our County's performance with lack of control by the Administration of spiking. Twenty-one (21) employees costing us two million four hundred thousand dollars (\$2,400,000) in 2018?

Mr. Williams: That is correct.

Councilmember Kagawa: That is not only in one-year, but to be continued?

Mr. Williams: Well no. That is your one-time contribution for those twenty-one (21) employees. That is significant. You do not have to do two million four hundred thousand dollars (\$2,400,000) each year. You give us two million four hundred thousand dollars (\$2,400,000) for 2018, and that covers the cost of these twenty-one (21). Next year, we are going to see if there are other employees who spike and that will be a different bill depending upon the results. I mean how many of employees? How big their salary grew above the base? Also, as I shared with the Chair a little earlier, the factors that are used to determine what this cost is, new factors become effective July 1 of 2019, that increase the cost of spiking by about twenty percent (20%). That is because, again, we have not implemented for spiking

the new mortality tables and the earnings assumptions. These are the old assumptions that apply to spiking, not to the broad evaluation. They have deferred the effective date to allow the County some time. You need to be aware that the new factors of this person is going to live "x" amount of years and this is how much we are going to pay them. Those new factors become effective next July. That means your costs that was two point four (2.4) would go up by two hundred and forty (240) but would go up by twenty percent (20%).

Councilmember Kagawa: I guess what I am trying to say to give you a hypothetical example. You have a Fire Captain for Kaua'i County maybe making ninety thousand dollars (\$90,000) a year. In his last three (3) years, racking up fifty thousand dollars (\$50,000) a year. Now you have a high three (3) years at one hundred forty thousand dollars (\$140,000). Right?

Mr. Williams: That is correct.

Councilmember Kagawa: Our lack of control of that overtime, if we could have kept it to maybe ten thousand dollars (\$10,000) a year, we would have saved forty thousand dollars (\$40,000) per year on these folks high three (3). Our lack of control at the management-level is causing all of this damage. I mean, this person is going to be making forty thousand dollars (\$40,000) more per year over life of his retirement in perpetuity until he dies.

Mr. Williams: Or their survivor. That is correct.

Councilmember Kagawa: The point I am trying to make is the damage from spiking is going to hurt us in our yearly contributions and in everything. I am not saying let us not spend overtime in Police and Fire. If we have a fire up in Koke'e or some kind of crisis, let us go for it. However, when we have a community meeting in Kilauea with a small group of people, I do not expect to see our Assistant Chief out there getting paid overtime for that. I am saying controllable kind of things that just irritates me. It is like saying, "We are going to enforce the law," but on their end, if you allow these types of overtimes, that is just like fraud. So we are going to enforce the law here, but we will do fraud on our own. I mean to me, it is out of hand. Let us look at this other page, this one is bad. Page 14. Page 14 shows a graph of the red. The Police and Fire compared to all the rest; the teachers and the general. I heard the Fire contract is coming up? They are going to be asking for a bonus of eighteen hundred dollars (\$1,800) per year. If you look at the red and how far ahead the red has been for every year. What is going on with the negotiations? Do they look at these things? I can see for Police. Police we have a shortage problem. Maybe to attract...but Fire, we have no problem at all. We have a waiting list of twenty-five hundred (2,500) I believe. There is no shortage and yet we let the red go that far ahead of everybody else, I want to know what is the State...there is no sense you folks are raising more money if you folks are allowing all these types of things to continue. It is like you are paying...you know? You are racking up a bill of twenty dollars (\$20) and you take five dollars (\$5), you just keep...

(Councilmember Chock was noted as not present.)

Mr. Williams: Well, Chair, Councilmembers, as you know we are reporting the results. We do not control the salary as you know. That is a result of the negotiations, which I have been asked this year in particular to participate in those discussions. Just as an expert witness and the same chart you are looking at is the chart that I share with the arbitrators on both sides of the table. The impacts on the retirement system, I provide that information but how one responds to it is a business and political decision that quite frankly is in your camp.

Councilmember Kagawa: We are broke. The State is broke. We are not like the Federal. We cannot print money. Twenty-three trillion dollars (\$23,000,000,000,000).

(Councilmember Chock was noted as present.)

Councilmember Kagawa: They can print money for their problems with retirement benefits because they are able to print money. We are State and County. We have to pay our bills. When I see things like that, I think it is fixable by getting suggestions from you folks. Like hey, Police and Fire, look at all the percentages of the contributions. Perhaps you need to freeze their salaries for a little while? If you look at all the red, they are already way above everybody else. You know? Let us get a handle on our situation before granting and we continue to let this reds keep going. That is the only way I think we can fix it.

Mr. Williams: I certainly am sensitive to and share your concern. It is difficult for me to fully interpret whether these numbers are appropriate or not. I mean, they are reflected in the reality. I do not know if people forego...you know how their compensation relates to national averages, peers, or whether people forego contribution and salary increases for some number of years and we are trying to make up? I do not know the history behind these, but that is the result. I mean, these are the increases year-by-year. We do not make judgments as to whether they were warranted or not.

Councilmember Kagawa: I am a school teacher and the school teacher lines are accurate. Those percentages are accurate to my paychecks. Thank you.

Council Chair Kaneshiro: Thanks Tom. You mention earlier you are not part of the arbitration now or they just finally allowed you to be part of the arbitration this year?

Mr. Williams: Well, Chair. It is not something that I asked for. Anyway, I was invited to present as an expert witness and so I did. There is some additional arbitration, the Firefighters have had an arbitration. I do not know the result of it. I did testify and provided a lot of information here. I believe in the past my predecessor Wesley Machida who was head of Budget and Finance and also Director of the ERS, has been invited to present. He generally would present on the full State picture, State revenues, more broadly. The piece that I have been asked to present on is the ERS piece. There is obviously a health care piece, the Hawai'i Employer- Union Health Benefits Trust Fund (EUTF) that is comparable in some respects to what we have here.

Council Chair Kaneshiro: I am glad you are going to be part of it and I welcome you to go and join. As the County goes through these negotiations, the County is looking at not just the salary of an employee, but the total cost of the County to pay for an employee. As you can see, and as you know, our portion... it seems like most of the burden falls on the employers to pay increased retirement costs, pay spiking costs, so the cost of an employee is definitely rising. Not looking at their salary, their salary is probably rising but the cost of an employee on the retirement side and other benefits, is definitely rising every year.

Mr. Williams: Chair, I know you are fully aware of the Counties are the primary employers for the Police and Fire. So the State has relatively few members in that category.

Council Chair Kaneshiro: Yes, I think the State has more votes than all of us probably. In regards to spiking, and Councilmember Kagawa's question earlier, is there a way for us to address the employee contribution? Right now we are stuck with the burden that employees pre-2012 have the ability to spike and pay a lower employee contribution than employees post-2012, yet the post-2012 employees are not going to be able to enjoy spiking benefit and they are paying a higher amount. The post-2012 employees are almost subsidizing pre-2012 employees. We pay a big difference and we see the increase in our ERS portion. I think it was twenty-five percent (25%) all the way up to forty-one percent (41%) of the salary we are going to be at. Is there a way we can go back and change and make it a little more even?

Mr. Williams: Chair. Legislatively, everything is alterable. To change employee contribution levels attributable to spiking, that is possible, but it would be a legislative initiative. It is not possible for the ERS to arbitrarily implement or require, but legislatively we could tell you what that cost and charge need be.

Council Chair Kaneshiro: In your future arbitrations, could you bring that up to be a little fairer?

Council Chair Kaneshiro: We have Councilmember Brun with a follow-up question.

Councilmember Brun: Follow-up question on slide 20. Of the twenty-one (21) employees. Do you know if there are twenty-one (21) employees that are spiking right now?

Mr. Williams: That is correct.

Councilmember Brun: Was that brought up to the Administration?

Council Chair Kaneshiro: These are employees that have spiked and we got the bill for. They are retired.

Councilmember Brun: They have retired.

Council Chair Kaneshiro: This was the actual bill we got for retirement.

Councilmember Brun: Has this been brought up to the Administration? A lot of their managers are still working.

Mr. Williams: Councilmember. I have not had that direct conversation and I believe the Administration has access to this information. To the extent one wants to have that conversation, I would be willing to do it. We do not proactively go out and identify the spikers, and recommend responses to it. If we get asked as we have been here to identify the individuals and the amounts, we do that. So to the extent an employer and Administration wants that conversation, we are willing to have it.

Councilmember Brun: So for us, I mean, could we request that information and work with the Administration or is that out of our boundaries? Would we have to have an audit to get this done?

Council Chair Kaneshiro: We do have the numbers and I was going to share it in a future meeting.

Councilmember Brun: Thank you.

Council Chair Kaneshiro: We saw numbers of...not mentioning the employee, but three hundred thousand dollars (\$300,000) for an employee for spiking. Those type of numbers.

Councilmember Brun: For the employees that retire, we still got...so who does not know if it is still continuing if we have we have the same department heads.

Mr. Williams: Chair. The spiking bill that you get really understates the cost to the ERS. We do not even look at spiking until it is more than ten percent (10%) above their final average compensation. So the first ten percent (10%) is almost...you cannot call it "free" because we pay for it. It is the egregious spiking that is above the ten percent (10%) is what is reflected in the numbers that you are looking at there.

Council Chair Kaneshiro: I will share the calculations. We have them. Our Finance Director put it together for us. That is going to be in a future meeting. I will go to Councilmember Cowden first.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Yes. Can I have slide 14 up again? What I would like to look at Police and Fire, can we have it such it is separated Police from Fire? We have opposite dynamics as Councilmember Kagawa mentioned. One is really understaffed and the other one is fully staffed with many many more waiting to go. I would be really curious to see that split out because if the majority of that

spike is Police, it is because we are working these men and women intensively. When we have four (4) days in a row with fifteen hour a day workweeks, plus two (2) more days that week, in my opinion, they deserve all that overtime. They are not doing it in a wrongful space of heart. We are almost exploiting these people and we are exhausting them from our force. I would really like to see the numbers split. If that is something that we can possibly look at?

Council Chair Kaneshiro: Those numbers would be related to collective bargaining and salaries. Tom is only responsible for their retirement package.

Councilmember Cowden: I understand, but somewhere we need to be able to see it. When we are analyzing that as the specific problem that we need to somehow collectively shift. I think we need to be conscious that we are not being unfair to certain portion of what we are doing. The other thing on that page which would be to me meaningful and I want to say thank you so much for this presentation.

Mr. Williams: You are very welcome.

Councilmember Cowden: I should have said that already because this is very instructive for me. When I look at this, will we see this big change from 2012 to 2018, I know what would be helpful for me in that analysis, also, is to see maybe a dotted line that shows the cost of living changes. The difference to be able to rent a home in 2012 versus 2018 has really moved up egregiously, I believe. What we have to bear in mind, when we are looking at how we are setting out these salaries is when we are looking at this base pays, if we cannot hold on to people because they cannot live. I would like to be able to see that if we are being worked? I see this whole group coming up and we have just come away from a very big 2008 meltdown. So housing costs went down and it is going up with that. Those are things that would be helpful for me to know. I have a couple of questions that are sort of simple questions. On page 2, when we see inactive non-retired members, does that mean that they will eventually be able to utilize their retirement but they are just not old enough yet? Is that what inactive non-retired members mean?

Mr. Williams: No, Councilmember. Inactive non-retired would be individuals who are not vested, for example, if you required to have ten (10) years of service, maybe they terminated with eight (8) years of service. They could come back and earn two (2) more and become vested. Even if they are not vested, the plan allows for a repayment or refund of employee contributions. So employee contributions would be refundable to those individuals with earnings. In other words, they are entitled to some level of benefit from the ERS.

Councilmember Cowden: Okay. Another real basic question. I am seeing hybrid, hybrid of what? How it is a hybrid?

Mr. Williams: Okay that is probably a more difficult question for me to answer as it occurred prior to my involvement with the ERS. Generally there was, as I understand it, a plan that was non-contributory.

Councilmember Cowden: I see.

Mr. Williams: And then a follow-on plan with different benefit features became a hybrid in which employers and employees began to contribute. Most plans around the Country, hybrids are considered a combination of a defined benefit, defined contribution or a cash balance plan. We do not have that so-called hybrid. I believe the "hybrid" that is referred to here was when we moved from non-contributory to a contributory format. Sherri, is that true?

SHERI KUNIOKA-VOLZ: That is true.

Councilmember Cowden: Okay thank you. I want to thank you. ERS manages our fund, is that correct?

Mr. Williams: That is accurate.

Councilmember Cowden: You folks. I just cannot concentrate. I am sorry. Sorry. I could not focus.

Councilmember Kagawa: Just look at him.

Councilmember Cowden: Okay, but I am trying to tune you out. I am sorry, I just could not concentrate. So how is this assets...what are they mostly primarily in?

(Councilmember Kagawa was noted as not present.)

Councilmember Cowden: Is it mostly high-tech stocks or real-estate? I am trying to anticipate when we are looking at what is coming out. What are we mostly invested in?

Mr. Williams: Let me say that the entire investment program, managers, the asset classes are all available online and on our website.

Councilmember Cowden: Okay.

Mr. Williams: You can see everything that we invest in. We are highly diversified. It would be difficult to say "it is mostly in," but it is mostly in stocks I would say probably about fifty-five percent (55%). Stocks vary significantly from publically traded, private investments, international, emerging markets, domestic, and to credit. It is broadly diversified. It is characterized related to risk. Everything about our program is transparent and is online.

Councilmember Cowden: So it is right here on this website?

Mr. Williams: That is correct.

Councilmember Cowden: Thank you so much.

Council Chair Kaneshiro: I will follow-up on that. Were you asking the Legislature if you could have a little more flexibility in the type of funds you are able to invest in? Are you folks bound by the type of investments that you are able to do?

Mr. Williams: I think there are some fiduciary limitations on what we can invest in. There are types of investments that we would not choose as a retirement fund, but we have full latitude to invest. For example, I think historically lots of pension funds used to limit their investment to just bonds, those are vestiges of bygone era. Now that progressive plans generally have full latitude to invest in; international stocks, private equity, and real-estate, (inaudible). We are not asking for additional flexibility. We think we have what we need.

Council Chair Kaneshiro: So you do have the ability to diversify as much as you need or want?

Mr. Williams: That is correct, Chair.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Thank you for all this information, and to my colleagues for all their really good questions and your answers giving us even more information. You mentioned a little something about skimming. Is that practice still happening and by who?

Mr. Williams: Good question and I am pleased to tell you, no, it does not continue. I believe it was 2005 it was legislatively precluded.

Councilmember Kualii: Great. I thought I heard you say that the State has not supported our investment program as aggressively as needed. What do you need?

Mr. Williams: Well, Councilmember, let me say that this is my opinion, and they have...we perhaps have not pressed and educated the State as to the importance of this investment component.

(Councilmember Euslin was noted as present.)

Mr. Williams: The State has been reasonably responsive to us, but I think we have the responsibility of demonstrating to the State the cost of our not investing in this investment program. I have been with the plan just over three (3) years almost three and a half (3 ½) years. We have been making some significant reforms internal, operationally, and investment wise. We have hired a new Chief Investment Officer, a very talented individual. We have a senior staff. We have done some comparisons and surveys and we know that our staff relative to our peers is well below their staffing levels. I do not want to blame the Legislature for this. The Legislature controls our ability to hire and our budgets. In an ideal circumstance, this is not just my view of it, but in an ideal circumstance, the Board would control hiring and budgets so that we could hire as necessary in order to meet our fiduciary obligations. We know that the portfolio requires certain skill sets. The

portfolio is dynamic and it grows in its complexity. Today, in order for us to hire someone, we go through a biennial budget process that starts in the Fall with conversations, when bills are introduced in January, and when the Fiscal Year begins in July. Before you are able to hire, it is generally a year or two that you had the need for the person. I do not want to blame the Legislature. I think we have to do a better job of convincing the Legislature that it is a good and proper investment because the returns are so significant that it would be unwise not to, quite frankly.

Councilmember Kualii: I never understood it to be as if you were blaming the Legislature. It is just that people have to play a role in maybe moving legislation to improve many things. I was just curious if there was something that needed to be done.

Mr. Williams: Thank you for that query. Our Board is considering as we speak a strategic investment plan that looks out four (4) to five (5) years to see how the plan and portfolio has evolved from a plain vanilla to a version two point zero (2.0) and will be a three point zero (3.0) in the near-future. Primarily because private investments, which are more complex to assess and monitor are becoming a bigger portion of the portfolio. As those things change, our support for the portfolio needs to change. We need to make sure that it is not a gap. A gap represents certain risks and we can mitigate those risks with the right tools, the right resources, human, or otherwise.

Councilmember Kualii: My last question on slide 16 on the employer contribution rates. It is very clear that it is going up every year and in July 1, 2020 it is forty-one percent (41%). How far forward do you project these? Do you already have the projection for July 1, 2021 or 2022?

Mr. Williams: Councilmember, very good question. We are projecting that once these contributions are finally reached in 2020, that they would stay at that level. They would not be required to go higher for any period of time. You know, obviously if markets tanked for ten (10) years in a row, we would have to revisit contributions, benefits, or some combination thereof. We do not anticipate that the contributions will have to increase. We cannot guarantee that they could not because of these economic factors.

Councilmember Kualii: I am just looking at the one (1), two (2), three (3), five (5) years' of data, so what did think on July 1st, 2016? The same thing that it would not increase?

Mr. Williams: Well, if I understand your question. No, we knew that it would increase and, in fact, we thought it should ideally increase to forty-one percent (41%) on July 1st of 2016. You cannot digest that level of increase. We worked with the legislature to phase the increase in. This was in contemplation of your budgets and the State budgets. We knew we needed forty-one percent (41%) ultimately back in 2016 when we did this. If we had those, it would get us to full funding. We do not think that it is going to go above these levels and these are thirty (30) year forecasts. We are looking out in the markets and actuarially for thirty (30) years. The Legislature requires that our plan have a fiscal plan that funds it within

thirty (30) years. Our current plan is now at twenty-five (25) years where we would be fully funded.

Councilmember Kualii: Thank you.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Thank you very much for coming today. I appreciate you taking the time.

Council Chair Kaneshiro: Your microphone.

Councilmember Evslin: Oh, sorry. I have a couple of questions. Number one. Does the salary increases you showed for Police and Fire on page 14 does that include the cost of benefits? Also, related, do Police and Fire have higher health insurance and life insurance costs because of the risks associated with their professions?

Mr. Williams: The Police and Fire show just their salary. It is their base pay, I would call it. The assumptions that we reflect are an amalgamation of all of the increases for an individual. Promotion increases, step increases, you know...and it is different for teachers versus Police and Fire. So we put all these increases together and come up with a salary increase rate that looks at the amalgamation of all of these things. They all do affect the benefit in the end. That is not the cost of the benefit. It is not the cost of health care either. The ERS fortunately is not responsible for the health care. It is the Employer Union Trust Fund (EUTF) that manages that. There is a separate cost and unfunded liability related to that. I believe that the State is now pre-funding health care. So that it, too, will have a base and will be fully funded in a number of years. I do not know the exact forecast for EUTF, but they are being funded, which is quite good. I think the overwhelmingly or at least historically the municipalities or States did not pre-fund their medical care. This is going to result in substantial savings longer-term by them doing so but it is not reflected in our numbers that cost to benefits.

Councilmember Evslin: Thank you. How does our investment returns compare to other States? Seven percent (7%) to me seems good. Is it good nationally?

Mr. Williams: Well, the seven percent (7%) is an assumed investment return, and it is right...it is consistent with the downward trend that public plans have been implementing. I would say we are probably with about sixty percent (60%) to seventy percent (70%) of the funds that are all now down around seven percent (7%). CalPERS is the largest fund in the nation is moving to seven percent (7%). I think they are at seven point one percent (7.1%) but they are phasing it in over time. There have a few plans that have lower assumption at six and three quarter percent (6.75%) even six and one half percent (6.5%), but seven percent (7%) is the trend. A few years ago eight percent (8%) was the assumption. I think one of the slides that was from the Grassroots Institute suggest they use the proper assumptions. The accurate assumptions. When you assume higher earnings than you actually are going to get, it perceptively lowers the cost because you are going to

defray the cost by the hire earnings. If you do not realize that, you know at the end of the day, the bill is the bill. You are deferring those costs to later generations. So it is a conservative approach to use what you really actually think you are going to get. We think that the seven percent (7%) is reasonable forward-looking. We are doing an asset-liability study that will confirm that. We have started that process. We think it is still very reasonable. Our performance is right in line with the public pension funds more broadly. We are looking at our benchmarks to compare ourselves to public pension funds and we want to look at over one billion dollars (\$1,000,000,000). We want to also look at over ten billion dollars (\$10,000,000,000) and with complex portfolios. We have done reasonably well in the past, but it is how we perform going forward. I am concerned we will not be able to continue that level of performance if we do not keep pace with our competitors who are resourcing their investment programs. It is very difficult to segregate and find the best investments. These are not the average investments. The average investments give you the average returns which is going to be less than what we are targeting here.

Councilmember Evslin: My understanding and I could be somewhat mistaken, but in States like Illinois, is the example of a dire pension crisis, have used floated bonds in times when the market is expanding to invest that as a way to decrease their unfunded liabilities. Has that been considered as an option for Hawai'i or is too risky?

Mr. Williams: Again, a very good question and this is the approach called utilization of pension obligation bonds. People would buy bonds when interest rates were, let us say four and one half percent (4.5%), five percent (5%) but they think they will invest it and get eight percent (8%) or ten percent (10%). That is ultimately resulting in a savings. It is not viewed as a widespread solution to an unfunded pension crisis or situation. I know lots of instances in which this approach has been used and has not worked out. In fact, it has resulted in additional costs. Sometimes they are criticized because the offerers or the investment banks make often times on these offerings ten million dollars (\$10,000,000) and one hundred million dollars (\$100,000,000) in commissions et cetera. It is not the fix that it is sometimes presented to represent. I know very few situations personally, in which they have been successfully employed to improve the funding. I know of some personally where they have not worked. I am well enough exposed with my colleagues around the nation that this is not an option that is being widely embraced or seen as the long-term solution. The long-term solution is actually just funding and investment discipline.

Councilmember Evslin: How has the trend of active to inactive employees affected our unfunded liability? How is that trend changing over time?

Mr. Williams: I am not sure I understand.

Councilmember Evslin: The ratio, the number of retirees compared to the number of active workers?

Mr. Williams: Well, again, the number of retirees are growing, as we mentioned forty-eight thousand (48,000) versus sixty-six thousand

(66,000)...sixty-eight thousand (68,000) active employees. We are in pretty good shape right now. What we look at is net cash flow, and we are net cash flow negative as it relates today until we pay out more in benefits than we get in contributions from employers and employees. If that were the only source of income, we would be forced to liquidate certain investments. Investment earnings make up the difference. The increase contributions that employers are making will provide even a further cushion. We are not at-risk of being cash flow negative, because of a disproportionate number of retirees. I mentioned earlier, if fourteen thousand (14,000) of our employees were to retire today, it would change that situation pretty dramatically. There is no practical demographic reason why they all would. There is, as you alluded to, a correlation between the numbers of retirees and actives. That is a circumstance that applies to our Social Security situation where the people, the numbers of people supporting the retirees are...the ratio is declining. It is almost every worker is supporting a retiree. We are not there and when we run these metrics we are in good shape. The rating agencies do not see any stress on our fund that results from that.

Councilmember Evslin: So are we pretty stable then as far that ratio goes?

Mr. Williams: Yes.

Councilmember Evslin: Do you know how the County of Kaua'i has done compared to other Counties as far as the number of spiking incidents relative to our government base?

Mr. Williams: I think we do have charts. I have charts that look at every employer. I do not know if you are better or worse? There are larger employers. For example, I think I have a chart here, I hope I can find it really quickly. For example, in 2018 the total spiking cost was thirty-one million four hundred and eighty thousand dollars (\$31,480,000). You folks paid two million four hundred thousand dollars (\$2,400,000). Two (2) four (4) twenty-four (24). The State paid eleven million one hundred seventeen thousand dollars (\$11,117,000). City and County of Honolulu something comparable to that. So you know, I am sure you feel the pain of it, but by no means the largest spiker for example we have again, I do not want to highlight any particular entity in this public forum, but yours are twenty-one (21) individuals, we have one with ninety-eight (98), and another with two hundred sixty-three (263) individuals. I do not know if that gives you comfort or not, but you are not the largest number nor largest dollars.

Councilmember Evslin: My final question, could you walk through a little bit how that...you did earlier but I did not understand it very well. The one-time payment for spiking. On page 20. It is a one-time payment of two million four hundred thousand dollars (\$2,400,000), which is one hundred fifteen thousand dollars (\$115,000) per employee, but that number per employee seems to drastically change over the years. Is that the only one-time cost associated or is there ongoing expenses for these?

Mr. Williams: Councilmember, the numbers of spikers and the costs varies year-to-year because the salaries that are represented by these

spikers changes. It could be one hundred thousand dollar (\$100,000) salary; it could be spiking on a fifty thousand dollars (\$50,000) salary. The relative cost will shift dependent upon the population who is actually spiking. It does not have to be the highest-compensated individual who spikes. It could be someone at a mid-compensation level and that mix is different every year. Who is retiring that year? If it is all highly-compensated individuals, you will get a much higher spiking number and bill than if there was lower-compensation involved.

Councilmember Evslin: What about the long-term payments associated with that?

Mr. Williams: There is a one-time payment. You are making a one-time payment every year for a new group of people. It is our effort to determine the net present value, the cost of providing this group of twenty-one (21) people, the additional benefit, that they are incurring over the rest of their lifetime. Using actuarial factors, mortality tables, and earnings assumptions. We are going to earn seven percent (7%), you are going to live this number of years, and we will pay you "x" number of dollars. How much does it cost to generate that today at net present value and that is your bill. You give us that. If all of the assumptions are borne out, we will have realized that total liability at the end of their retirements.

Councilmember Evslin: Okay, that makes sense. Thank you.

Council Chair Kaneshiro: One-time spiking cost is calculated when an employee retires, they calculate out their total liability for the rest of their life based on their actuarial and a calculation, and that is the bill we get to clear that employee out. As you can see, those are some big bills. As people retire, they are going to redo the calculation with these new employees. We have no clue what those bills will be because we do not know who will retire, when they are going to retire, and what their spiking is going to be? It is very unpredictable. Councilmember Brun.

Councilmember Brun: No. Not right now.

Council Chair Kaneshiro: Any further questions? I know Tom has to catch his flight. I know we could probably talk about this all day. We can E-mail him questions, follow-up questions if we need. I know there will probably be more conversations on ERS during the budget. Any further questions for Tom? Councilmember Kagawa.

Councilmember Kagawa: I just wanted to thank you for coming and sharing with us. I came across as being kind of aggressive, but this is such a big problem. I do not think it can be caught up on the financial end by innovation or what have you. I think we need leadership and management in each respective County and State that will cut out the unnecessary things. I think it is doable. To sit here and say it is not happening or whatever, look at the reports, look at the high-ranking officials that are retiring. Look at their overtime totals. There are problems. To say there are not problems is really being unrealistic. There are problems. This is why we have the report here. It is printed on the report that we have problems. Thank you and we will see more of you hopefully, with better news.

Council Chair Kaneshiro: He is just reporting what it is. He has no control over the salaries. If the salaries increase and mismanagement, all he is saying there is going to be a higher bill for ERS. That is all that they can control. Their main control is how all our investments are doing. That is one of the biggest things to our ERS. Any further questions? I have a question I ask every year, in your opinion, if we were to split...and it comes down to fairness. If we were to split our general employees from teachers, who we see have a longer life expectancy, would the County benefit from that? Obviously, it is complicated based on how many employees you have. If teachers are living longer, we have zero teacher employees, but yet, our general employees, Hawai'i Government Employees Association (HGEA) and United Public Workers (UPW) are all calculated based on the longer life of a teacher. Would the County be in a better or worse position if we tried to ask and split from teachers?

Mr. Williams: It is a very difficult question to answer, because teachers in general live longer than most other employee groups around the country. I know it is true here as well. So the longer you live, the longer you pay. Also, teachers in some instances are not compensated, as well as certain others. It just depends. It is tough to answer that with any specificity. Just longevity alone you would say yes, you would benefit because you have to pay them longer and I do not have any teachers. We have not broken out the teachers and the way our plan was developed, some States have separate plans for almost every groups. It is a separate judges plan, a separate Legislative, a separate teachers, a separate Police, separate Fire, you know...Park Rangers. There are some plans that keep the liability, segregate each one of them, so they are paying exactly the cost. The State did not elect to go that route and it has a so-called cost-sharing plan. So all of the... it is just a soup. It is like all the liabilities and the contributions are pooled together. It is a single cost for Police and Fire and for general employees. So it is tough to answer with real specificity.

Council Chair Kaneshiro: That would be a legislative change, if we want to split them off?

Mr. Williams: Absolutely. That is correct.

Council Chair Kaneshiro: Thank you. Any further questions from the members? If not, thank you, Tom.

Mr. Williams: Chair, I would just tell you how much I appreciate the invitation to be here, your questions and your time. I would come back at any time you wish. Thank you very much.

Council Chair Kaneshiro: Thank you. With that, we will take public testimony. We have one person signed up.

SCOTT K. SATO, Deputy County Clerk: We have one registered speaker, Debra Kekaulua.

Council Chair Kaneshiro:
and everything.

Debra, you know the routine with the light

DEBRA KEKAUALUA: *Aloha*, folks. Hello everyone. For the record Debra Kekauualua. Specifically, I wanted to make mention about the Emergency Medical Services (EMS), Fire, County Bus. In 1972, I went to Kaua'i Community College, Registered Nursing (RN) Program and I got my EMT, MICT licensing. When we were dispatched, we never had anyone but the Army wagon and the crew and the crew that was in the wagon. You know, people...we would go out and pick up people and bring them to the Wilcox Emergency Room. Nowadays, if EMS gets called out, there is a whole slew of firemen that go up; both the big and small fireman trucks. They follow the ambulance. We never had that? Consequently, that is why the red line went up so high. Everybody that is involved and I have talked to firemen about this issue and asked why do you need so many people if it is not a fire? If it is just a medical emergency, why are these two (2) fire trucks, all of the drivers, and the people that are with the crew, why are they there if they are not there to put out a fire? The one fireman that I keep bucking with this is...he says, "How would you feel if we did not go up the hill and then my house is on fire and they had go back down to the base yard and pick up the big machine?" I asked, "How often does that happen?" He says, "rare to never." You know? They are on medical emergency so there should be an ambulance, maybe a police officer, and anybody can start Cardio-Pulmonary Resuscitation (CPR) under those two folks. They consistently send the up the big and little machines. How expensive is that? Every call. Okay. I worked in the hospital. I worked as an ambulance driver and worked for The Kaua'i Bus, and the time that The Kaua'i Bus was growing, we had nine (9) passenger vans that we would use for our Paratransit. Now we have these big buses that may be carry one (1) or two (2) people, maybe, consistently maybe. Yet, everybody is out there buying these big old buses and what kind of a footprint does that leave? Not to mention there is so much activity and I worked for eight (8) months at The Kaua'i Bus, because I knew too much or asked I asked too many questions of the then the Director, I had a one hundred percent (100%) driving record, I have my Commercial Driver's License (CDL), I was one (1) of three (3) ladies that had CDL, and eventually all three (3) of us were terminated.

Council Chair Kaneshiro: That is your first three (3) minutes. I am going to see if there is anyone else in the audience that wants to testify. You are able to come back again for another three (3) minutes, Debra.

Ms. Kekauualua

Okay.

Council Chair Kaneshiro:

Matt.

MATTHEW BERNABE: Good morning everybody. Matt Bernabe, for the record. You know, I like what Councilmember Kagawa said. We need to do better, we have to manage better, and there is a simple way to say this. A professional way to say this. The County and the State needs to operate on best practice. We currently operate on past practice. That is a real thing. Past practice is a real thing. If we do not convert and operate on best practice, we are never going to fix this financial problem. It reminds me of parents that are enablers that keep giving that crack

addicts...you folks being the crack addicts, you and the State, we keep giving you folks money. Later I am going to testify on roads and I will bring this to a point. Until you folks start operating better, none of this is going to get fixed. The fact is that the rail is a great example. We, the County of Kaua'i, had to increase our taxes which we still do not get a service for that tax, just because they cannot balance their budget, their books, and their overspending. They are all "messed up." We know what that mean. Imagine if you folks are running...what if Grove Farm ran all "messed up?" What would your company do if they ran like us? Go ahead, I want the answer. They would not. They do not. When I ran for office, I talked to a lot of Human Resources people, people that work in Human Resources, hotels and banks. You know they would not take this job? What it takes to make us right none of you folks are willing to do. Not Derek Kawakami, not the past mayor, and I am sure some of you want to but you do not have the power to literally go and convert every department to best practice. There is a few that operate with best practice and that is only because they have to. We got fined for an employee trying to do best practice because his truck with overloaded traveling from Princeville? Where are the weight stations? That would be best practice. Our roads are being destroyed because we are overweighting vehicles, because we do not have weight stations. I work dump truck on the North Shore. I saw the boulders they hauled from Waimea to Hanalei Bridge. I guarantee you it was overweight. Where is best practice? Until we run on best practice, you will never solve this problem. That is the discussion that you need.

Council Chair Kaneshiro: Anyone else in the audience wishing to testify? Just state your name for the record. You have three (3) minutes. The light will be green when you have thirty (30) seconds it will turn yellow and when your three (3) minutes is up, it will turn red.

TREVOR ASHWORTH: For the record, my name is Trevor Ashworth. Thank you for the time today. I echo the sentiment round best practice and we talk about the spiking and there were a lot of questions about the final three (3) years and are we managing effectively? Best practice is also how are we going to be paying for these costs? One of those ways is to get funds in earlier into the County in order to be earning interest. I take our recent property tax assessments that were due at the end of February, and I was on the phone with that department yesterday, because it is been nearly a month and my check still has not been cleared. They have said they have over five thousand (5,000) checks that they have not been able to deposit. Five thousand (5,000). Let us say on average two thousand dollars (\$2,000) for a month of interest that we have foregone. That is just on what has been sitting there now a month past due. Every single week for the last month, I have been calling to understand why that check that normally clears has not cleared? They have said they understaffed, that they have system problems, and manual processes. So we have got to get to addressing those best practices because where we talked about the two million four hundred thousand dollars (\$2,400,000) in spikes in 2018, interest alone in getting any income into the County of which real property is the biggest source of income for this County, getting that in, getting that invested, whether that is just in simple treasury bonds or what have you that is going help pay for these spikes. I definitely support looking at those best practices. Maybe we are going to talk about it and I can come back later in the agenda when we talk about what is going on in finance. The last meeting I was at, the fact that we have not done bank reconciliation

which is the most basic financial obligation since November of 2017. Maybe we are caught up now? I do not know? We have got to get on top of our financial house or our bond rating will go down and these pension liability cost will continue to eat away at the ability for this County and the rest of the Counties across the State to do other things. That is all.

Council Chair Kaneshiro: We do not have another agenda item with finance involved, but I do know that the treasury accounts are reconciled now. Thanks.

Mr. Ashworth: Like I said, I talked to the office yesterday, inquiring why my payment had not been cashed and they had over five thousand (5,000) just sitting there and that was just a rough estimate and it has been nearly a month.

Council Chair Kaneshiro: This is only to your reconciliation question. Anyone else in the audience wishing to testify? Seeing none, Debra. Let us keep it to the ERS. I know you were talking about management and overtime, which is ERS.

Ms. Kekaulua: Thank you.

(Councilmember Kagawa was noted as not present.)

Ms. Kekaulua: I really do not have much more to say on that issue other than I would hope that everybody would wake up and smell the Kaua'i coffee. There has been so many times that...because I worked for The Kaua'i Bus, because I am an observer and having do with this paratransit and every time I see a paratransit there is never more than one (1) or two (2) people. That is it, period. They are driving an eight (8) wheeler, you know, big footprint. That should never have happened. Yet, the powers that be, stuck it right up our noses and down our throats and it is the same with the Fire Department.

(Councilmember Kagawa was noted as present.)

Ms. Kekaulua: It is the same with every one of the people that are EMS related. There are spending so much...you could be saving so much money by putting down some rules that if it is a EMS call, that only EMS and a police officer, period. Do not be bringing up those big trucks. It does not make sense unless there is a fire. Common folks. It does not take rocket science to understand that it is an over expenditure. People are getting hired. Yes, we need teachers more than anything else. These teachers are the ones that are supposed to get the one hundred fifty thousand dollars (\$150,000) a year income, not the firemen. The firemen, what do they do? They sleep and watch television all day long. Maybe they are called out a few times you know, it just does not make any sense anymore. I am not scolding you folks, because I am just as much, but I want it to be brought out. It is got to be. People like our Human Resources for the Kaua'i County, that person used to be the Kaua'i Bus Director. Why is it that she is now a Human Resources Director? Anybody with last name Kekaulua or Hawaiian that is why you do not see Hawaiians being hired for the County. You see all of these people coming in from the

mainland as a practice right now, Kaua'i Police Department (KPD), the new Chief is from Las Vegas. I wonder when we are going to have a casino. Mark my words, there is a casino being worked on by all of our friends at Coco Palms. Thank you.

Council Chair Kaneshiro: Matt, did you want a second turn?

Mr. Bernabe: Matt Bernabe, for the record. I would not quite say it like the last testifier, but I do see it similar. You know, I know a lot of firemen and I know a lot of lifeguards. The lifeguards on a day-to-day basis have a harder job on this island than the Fire Department. If you want to do a cross analysis when you say, "Oh, the mainland runs like this and this is what the mainland does," when it is put into a holistic perspective, our Kaua'i Fire Department has to run their trucks up to the ambulance call because they do not have enough calls to get the hours required to drive their truck. Therefore, they have to find reasons to go fishing on their boat to run it and they have to find reasons to drive their truck being that they do not have enough calls. Therefore, they are forced to go and see the ambulance calls because they do not have too many house fires. When it does occur, we are going to be happy when they show up. I am not dogging the Fire Department at all. For this discussion, when we are connected to the collective bargaining that forces us down this road, that is when the management needs to run on best practice. That is when best practice need to kick in because they are going to have this problem that has occurred somewhere else in the world. We are not the innovators of problems. This has occurred somewhere. This has been solved somewhere. This has gone wrong somewhere. Somewhere there is the game plan for us to transition from past practice to best practice. You seven (7), are the tasks to go find that process. Thank you.

Council Chair Kaneshiro: Anyone else wishing to testify? Seeing none. I will call this meeting back to order.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: We have to take a caption break. Actually, let us take the caption break already and we will have our final comments on the ERS. I am sure we are going to take a little while on that.

There being no objections, the meeting recessed at 10:30 a.m.

The meeting was called back to order at 10:40 a.m., and proceeded as follows:

Council Chair Kaneshiro: We will call the meeting back to order. Any final discussion on the ERS from the members? Councilmember Kagawa.

Councilmember Kagawa: Thank you Chair. I want to thank you for putting this on the agenda. I am very uncomfortable and almost depressing to a point but this has nothing to do with the performance of Police and Fire and what have you. Performance on a daily, I think that they do an excellent job with daily crisis, emergencies, and keeping the public safe. Kaua'i Police Department (KPD) does a fabulous job. The issue that we have is how will we keep paying for this big tab that

is growing and growing? One of the problems that was brought up is spiking. Which is a management thing. There is always a manager who has to approve certain overtime. The way I see it is, I think the younger officers, or younger firefighters, they are the ones that are starting their lives. They could use the money, they could use the incentives to stay within the department. If there is overtime, you should try and give it to lower paid folks, the younger folks. It should not be like how we saw in the last report. Joann saw that report when we had the Police and Fire overtime. It came up for the past two (2) years and it was a lot of the managers or the Assistant Chiefs that had fifty thousand dollars (\$50,000), forty thousand dollars (\$40,000), or thirty thousand dollars (\$30,000). The folks on the bottom had six thousand dollars (\$6,000) or eight thousand dollars (\$8,000). I mean, we really have to scratch your head and say "Wow, can we do better?" Of course. Undoubtedly. I do not need to go into details to know that we could do better with distribution of overtime. I have a very good friend, an officer, who says "In five (5) years, he has never been offered overtime." He is a school police officer, but still, you would, if overtime is needed at the County Fair, why are we seeing Assistant Chiefs there working at the County Fair? It should be folks that want the overtime, they are young, they have families, and they have kids in college. Not the folks that will retire soon. I think we can do better. I did a little calculation here on page twenty 14. Over ten (10) years, the Police and Fire over the rest of the Government Unions, twenty six-percent (26%) more than the rest of the Unions. Have we been generous with granting collective bargaining increases to Police and Fire? Of course. Now again, I will state the facts, we have a harder time attracting policemen. Is that difference of twenty-six percent (26%) needed for police? Maybe, or maybe we need somebody better doing the hiring and getting involved in hiring. I think when you have twenty-six percent (26%) more of pay above other government employees, I think it is a pretty good pay package. How do we make the job attractive to our local people to say, "There is some bad things that go with being a police officer, but I can make a good living? In time, I can buy my house at Pikake with that pay." In Fire, we have no problem. We have a lot of applicants. We turn away so many people, it is not funny. There is a lot of people that want to be...all the young children I talk too, they want to be a firemen. The pay is good and the job is attractive. It is not *pilau* as being a police officer, where you have to deal with a lot more harsh things. With that, I say, I am going to do a Resolution. I am tired. I am going to do resolution that is going to propose freezing the Fire pay for the next four (4) years at its current level. The evidence is right here. Twenty-six percent (26%) more than the other Unions. They are far beyond generous. I am also going to be proposing one (1) for the Police. That will reduce their yearly increase to one percent (1%). I believe to leave at zero (0) would not be fair. It would not be fair to the vacancies that we have. Again, we are in drastic times, nobody wants to fix it, I am going to try to fix it. Police Commission or the Police Chief does not want to fix it, I am going to try to fix it. So, I hope I get the votes.

Council Chair Kaneshiro: I am not trying to rush members. We do have students wanting to testify on the roads. They have to leave by 11:00 a.m. I will leave that out there. Councilmember Chock.

Councilmember Chock: First of all, the presentation today was really good in terms of what is being done at administrative-level Statewide. I also think

there are specifics that we have to focus on. When we know that the specific kind of plan that we have, there are already mechanisms to become more efficient and look at areas/municipalities like Wisconsin that are already funding at one hundred percent (100%), under the same type of plan, we have to look at what it is they are doing. What they are doing is creating caps on some of these benefits. They are looking at adjustable contribution rates. We cannot wait twenty-five (25) years in order to try and achieve this. We have to be more aggressive. I think we have heard very clearly and even what Council Vice Chair is saying is, we can create a resolution and we can create policy that will go to the State. It is a statewide issue and the Legislature needs to step up and address this. I think that with the Hawai'i State Association of Counties, because it is a Statewide issue, I think we should be focusing as a body to put Legislation together, a policy together that we can all support so they can get these things passed for us and really affect the best practices that have been mentioned today. Thank you.

Council Chair Kaneshiro: Anyone else? I guess I will make mine. Well, I will make mine fast. We have them in here every year and the conversation of fairness comes in. Is the County getting their fair share in ERS? It is all put into one big bucket. Are we paying more because we pay higher employer contributions for Police and Fire which the State does not have? So again, you know, the money that is going into that bucket is a lot larger coming from County's side. Does matching us with the teachers, hurt or hinder the County? I am not sure. I only ask for fairness when I ask these questions. It would be nice if we put money in for spiking for an employee, and something happens, we get the benefit of that money that we put in. Right now, it is all in one bucket. It is very difficult and convolute it all in one bucket. I am glad Tom came in and he was completely honest with the situation we are in. He was here a few years ago when our investments were in the negative and it was not a good conversation here. Everybody was freaking out. I am glad based on the market that our investments have been performing okay. That is all I have to say. I also did want to do a follow-up. I got information from our Director of Finance that there are not five thousand (5,000) checks sitting. Checks have been deposited in our account. I also wanted to clear that up. If you want, you can talk with our Director of Finance later about the issues you have with our Tax Department.

The motion is to receive C 2019-52 for the record, was then put, and unanimously carried.

Council Chair Kaneshiro: Motion carried. Based on the time, Scott, let us go to roads.

C 2019-51 Communication from Councilmember Cowden requesting the presence of the Deputy County Engineer, to provide a briefing on the schedule for islandwide road resurfacing and repairs. Councilmember Kualii moved to receive C 2019-51 for the record, seconded by Councilmember Chock.

Council Chair Kaneshiro: We have the students that need to leave by 11:00 a.m., so I will have them come up and testify first.

Mr. Sato:
Carmen Swanson.

The first speaker is Travis Brown, followed by

Council Chair Kaneshiro: Travis. You will have three (3) minutes, the light will turn green when your time starts. State your name for the record. When there is thirty (30) seconds left the light will turn yellow, and when the three (3) minutes are up the light will turn red.

TRAVIS BROWN: Good morning, Councilmembers. I am Travis Brown. I am from Kalāheo. I will be testifying for the development of roads. I want to see the roads get wider. I am going to share with you why we need these expansions. I leave my house at 9:00 p.m. when the roads are semi-empty. It takes around seventeen (17) minutes to reach Līhu'e. If I were to leave at 6:30 a.m., it will take thirty (30) minutes to reach Līhu'e. If I were to leave my house at 7:00 a.m., it will take forty-five (45) minutes to reach Līhu'e. If I were to leave my house at 7:30 a.m. it will take one (1) hour to reach Līhu'e. I am sharing these different times to show we need to work towards cutting the traffic to make it closer to what it was like in the evening. Recently when coming into Līhu'e, whether it is for school or work, there has been car accidents. Whether that is because someone is running late due to the traffic backup or they need to get somewhere in a hurry. It does not really matter, because when they get the opportunity to speed, and weave through cars, they take the risk and put others in danger and make the backup worse. I believe if we were to expand the roads, we would reduce the dangers of driving and maybe speed up traffic by ten (10) minutes. That would make a big difference in our lives. Wider roads would benefit everyone in the community; our County needs safer and quicker means of transportation and the roads are not suitable for the amount of traffic we are receiving. Please consider expanding that and thank you for listening.

Council Chair Kaneshiro: Thank you.

Mr. Sato: Next speaker is Carmen Swanson followed by
Chloey Gray.

CARMEN SWANSON: Hello. My name is Carmen Swanson. I live in Līhu'e and today I am going to be addressing highway dividers at Halfway Bridge. There have been many deaths at Halfway Bridge because drivers cross the centerline and collide headfirst with head-on traffic. Sometimes drugs or alcohol are a factor, sometimes both drivers are sober but there is a poor road visibility, or there are working several jobs and are not completely alert. Studies have shown that a median divider are an effective way to reduce head-on crashes and save lives. If the County had one installed, it would make a big difference in safety of the road. The first fatality on Kaua'i this year was at Halfway Bridge at 5:30 a.m. in the morning on January 12th. The man was a student of my dad's at Kaua'i Community College. He was a Veteran and supported his grandchildren and his whole family. We will miss him. He was trying to get a degree to be a good example for his grandchildren and working several jobs. Being that there is no divider, he died. In Kaua'i, car crashes often cause traffic because the road is closed for many hours. People cannot get to their jobs, get to school, or catch planes. Even ambulances cannot get through. Police officers are tied up and cannot help others in the community. The Federal Highway

Administration citing studies in Washington State and North Carolina place the decreases in cross median traffic fatalities and ninety percent (90%) or higher. Where barriers are in place, it is possible to predict how many lives will be saved by a reinforced guardrail or a cement barrier at Halfway Bridge. If we do nothing, it is very likely that every year head on collisions will continue to happen and more Kaua'i residents and tourists will lose their lives. Thank you for listening to my testimony and please take actions to save lives.

Council Chair Kaneshiro: Thank you. Thank you, Carmen. Halfway Bridge is a State Highway, but we will be sure to pass your information on to Larry Dill and let him know your concerns.

Mr. Sato: Next speaker is Chloe Gray, followed by Matt Bernabe.

CHLOE GRAY: Good morning. My name is Chloe Gray and I live in Anahola. I am a senior at Hawai'i Technology Academy. I am here today to testify on agenda item C 2019-51, road conditions on the island. I would like for there to be a more permanent fix to the potholes. Whether that be fixing them completely or maybe investing in a more efficient patch work system. I know that there has been patch work to the still existing potholes as I have seen them when on the roads. However, with the amount of cars that drive over them every single day, as well as rains and storms we have been having recently, they do not last long and they wear very easily, leaving the potholes in almost a worse condition than they were prior. I drive Kūhiō Highway from Anahola to Līhu'e and back almost every single day. Even through the backroads and bypass, you have to endure the terrible bumps, cracks, and potholes in the road. It is always scary when I do not see them in time and I drive right through them. Especially when it is raining it is more difficult to catch them in time. The vehicle I currently drive is not very new. A single pothole could damage it very easily by going right through it. My parents and I personally do not have the money to fix that type of maintenance. If it were to happen, I believe that other people in the community would not be able to pay for that as well. I would hate to have to burden my parents with that type of payment for something that the County could possibly fix or improve.

(Councilmember Brun was noted as present.)

Ms. Gray: Now this just does not affect me, but it also affects every individual on Kaua'i who owns a vehicle and who can drive. The most positive outcome would be the happiness and gratitude of locals here on Kaua'i. We can drive happier, safer, and have comfort knowing our roads are safe and at good quality. I understand there is a budget; like a fixed budget to fixing the roads and a mapped out plan of where and when you are required to fix. I believe that permanently fixing these things now and no matter the cost will save the County of Kaua'i much more money in the long run. If we wait for road conditions to become terrible and almost unusable, we will be paying much more and we will ultimately exceed the budget. So yes, it would be beyond appreciated not by just me but the community of Kaua'i if our roads were better. Thank you.

Council Chair Kaneshiro: Thank you. Matt, I let them go first before the presentation because they have to leave. If you want to testify.

Mr. Bernabe: I have to work.

Council Chair Kaneshiro: Okay.

(Councilmember Kagawa was noted as not present.)

Mr. Bernabe: Matt Bernabe for the record. Before I begin talking I would like to say this issue brought me here aside from the many people asking me to advocate on their behalf for many issues. This particular issue hits everybody. If you go to Keālia, it is negative; you go to Kōloa, Shipwrecks; it is negative; no matter what circle you are talking about roads on this island, it is going to be negative. It is going to get even more negative when they realize that the zero point five percent (.5%) tax we are all paying. When we buy our regular drinks and pay two cents (\$0.02) more, we noticed it. They are going to trip out when they start ripping up Rice Street and not Kawaihau. The reason I bring this up is because I was just looking at my photos and a couple of years ago, my upper ball joint blew out because of a pothole.

(Councilmember Kagawa was noted as present.)

Mr. Bernabe: This happened in front of Mahelona Hospital. That road has not been touched, the road looks identical, if not worse off than the day I had my accident a couple years back. Unlike the young brave kids that came to testify, I was able to pay fix my vehicle relatively cheap. I had "Toyota folks" and we did it and it was okay. If you do not have enough money to fix your car because of the potholes, that is a problem. That young lady hit it on the money. She would be upset to know that the County's policy at one point in time was to sit on the money and roll it over, and it never got addressed to the roads. If they knew the history of these roads, they would be more upset. The reason I am here testifying is because earlier we were talking about best practice. One of the things that is destroying our roads is we are not weighing our commercial vehicles. You do not see any weigh stations, you do not see any weigh stations. I know that the whole issue we had out on the North Shore with one of our employees, one of the issues was overloading our own Garden Island Disposal trucks, which go from Princeville to Mānā. If we are not managing the simple little issue, it does not matter what we do to our roads, we are going to keep damaging it. This is going back to best practice, this is another one of those issues that it does not matter what agenda item comes up today, if you hammer the issue with the best practice mallet, you will get the answer. I am a little sour because I testified against that increase for road funding and a year later it got reintroduced and passed. However, we have not seen any movement on the roads? I have seen a couple of little spots that they threw asphalt. Kōloa has a little work here and there, but it is slow. Where is all the money from the past budgets that this young lady just talked about? Why has that not been invested? I would like to see where it all went? Kawaihau is not fixed? Kapa'a Corridor is not fixed. Kōloa is slow, I see some work but is nowhere near done? I will come back.

Council Chair Kaneshiro: Anyone else wanting to speak now? You do have opportunity to speak after the presentation from roads.

Mr. Bernabe: I will take my other three (3) if there is nobody else?

Council Chair Kaneshiro: Again Matt, as far as General Excise Tax (GET), it did not start until January, so we have not even received any moneys from it.

Mr. Bernabe: It is fine, but just to add on to your point, I have already went with my exact change for what I buy on a daily basis and I have already felt the increase. I had to walk back to my car for the two cents (\$0.02). If I need to walk back to my car for the two cents (\$0.02), why is that money not already going into my roads? I am not going to say that. I know that these folks are working. I understand it is a transitional Administration at this point, we will see what happens in the next year. If we do not convert to best practice for long-term feasibility, this will be another issue in another two (2) years, four (4) years, and eight (8) years. I really want to advocate for scales. I cannot underscore...I was just working on the North Shore recovery project, I was driving the dump truck, and I was picking up boulders at the Hanalei Bridge, okay. I know for a fact that those trucks were mounding with boulders. One (1) boulder in my truck, I have the photo, my little five (5) ton, it leaned over and it was heavier than my five (5) ton that was just one (1) boulder. I would like to know with all of this commercial activity going. Being that Hā'ena does not want to use their own boulders, we need to bring in boulders from Waimea for retaining walls at Waikoko and all of these other places. Where are the scales for these trucks in both directions? The reason we have weight limits is to protect the longevity of our roads. The whole thing with Ben, he was upset because his CDL license had a higher standard of him being over weighted. If he crashed, he would have been personally liable. You all know that. Well, maybe not some of the new members? The rest of you know that is a fact, and we lost. The State fined us, we loss. That would have been a best practice. That would have been a communication of problem, going to the superior, going to Human Resources, going to the Mayor, and the solution coming back down the same chain. Conflict resolution not conflict. That is what we need.

Council Chair Kaneshiro: Anyone else in the audience wishing to testify? Seeing none. I am actually going to recess this meeting. Clerk, can we go to Communication 2019-50?

There being no objections, C 2019-50 was taken out of order.

JADE K. FOUNTAIN-TANIGAWA, County Clerk: On page 2, C 2019-50.

C 2019-50 Communication (02/04/2019) from the Acting Chief of Police, requesting Council approval to receive and expend Federal funds for the Sexual Assault Nurse Examiner (SANE) Exams and Supportive Funding and DNA Analysis programs, in the amount of \$49,475, which will be used to continue law enforcement efforts to assist in sexual assault investigations and crimes through agency

collaboration, and approval to contract with and indemnify the State of Hawai'i Department of the Attorney General for the term commencing November 1, 2018 to May 31, 2019: Councilmember Kagawa moved to approve C 2019-50, seconded by Councilmember Kualii.

Council Chair Kaneshiro: Any questions on this item from the members? If not, anyone wishing to testify?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order and proceeded as follows:

Council Chair Kaneshiro: Seeing none. Any final discussion from the members?

The motion to approve C 2019-50 was then put, and unanimously carried.

Council Chair Kaneshiro: Those opposed? Motion carried and we will go back to our roads item.

Ms. Fountain-Tanigawa: C 2019-51.

Council Chair Kaneshiro: With that we will suspend the rules. Lyle, you do have a presentation? Again, we will keep the questions until the very end of the presentation.

There being no objections, the rules were suspended.

LYLE TABATA, Deputy County Engineer: Good morning, members, Chair, Vice Chair. I appreciate this opportunity and it appears from testimony that there are many, many misconceptions out there that I hope to clear. First off, the County owns only three hundred and eight (308) center lane miles of roads on this island. One hundred fifty-four (154) miles of which are State-owned, Department of Transportation. These are the main roads Kaumuali'i to Kūhiō from one end of the island Mānā all the way to Kē'e Beach. In addition, the State is responsible for Kuamo'o Road, the Waimea route up to Koke'e, Kapule and Ahukini Highway, and Maalo Road. We have all the rest of which two hundred forty-four (244) miles are local roads centerline and sixty-four (64) federal aid collector roads. We have three (3) County base yards in Hanalei, Kapa'a, and Hanapēpē. Funding, I am glad I am able to educate the masses. We have a fuel tax program. We have funding from the vehicle weight tax, but only a portion of the fuel tax of the total that you pay is to the County, the rest goes to the State. It is similar with our vehicle weight tax. We have also gone out for bonds for reconstruction. Finally, after over four (4) years of fighting to get this half percent surcharge passed, the body accommodated us last year in July, and I totally appreciate one hundred ten percent (110%) of the Councils effort to help step up and fund us. Previous to passing...and the money is only flowing since January 1st of 2019, previous to that, our share that was yielded from the fuel and weight taxes was one million two hundred thousand dollars (\$1,200,000) a year.

With the half percent (0.5%) surcharge, we are looking at a yield of close to or a little over twenty-four million dollars (\$24,000,000), of which you will see during budget and the Mayor's message. A great portion, seventy-five percent (75%) will be coming to our Roads Division and twenty-five percent (25%) will be going to the The Kaua'i Bus transportation system. Overtime, things might change. However, at this point, because the Mayor and I hear the community loud and clear, that will be the split. The last method of funding is through the Federal Highway Administration through our Hawai'i Department of Transportation for our collector system, not only for the roads, but our bridges. Further down in our PowerPoint, the bridges that are covered under the federal aid system are bridges that are twenty (20) feet or longer. That will provide eighty percent (80%) Federal match to our twenty percent (20%) County funds. However, that does not come without limitations as in everything else that we face daily. This will also be discussed further in slides moving forward. People are all saying "nothing is happening yet." We presently have our 2019 road resurfacing out to bid. The roads that will be included are on our website. Let me go backwards. To make things perfectly clear, visible, and transparent for the community, we worked to create Policy and Standard Operating Procedures on how roads will be selected. I know the document is tiny right here, but this entire document can be found on the County of Kaua'i's Website, Department of Public Works, Roads Division. In addition, you will see the roads that are presently done in 2018, and then the 2019 lists of roads that are out to bid. I will outline our policy. We survey every three (3) years with a third-party contractor. They will come in and drive every mile of our roads, they will do the condition assessment, the remaining service of life calculation of that particular road, and a pavement roughness index. This is a snapshot of time of when the contractor will go out on the roads. After the data is received, the Roads Division does the fuel reconnaissance. They certify the physical condition assessment report that we receive. Further reconnaissance they might do is core sampling of the under foundation road structure. This is so we are able to confirm what is underneath the road and in what state that foundation is in. They will take accurate measurements of the segmented needs of the road. For example, it may not be necessary for the entire road to be reconstructed, but focused segments which will save money. In addition the type and magnitude of travel is taken into consideration, meaning the population of the destination, what the road is used for, if it is used for recreational, industrial, commercial, or governmental destinations, the magnitude of travel is based on the average daily travel counts. Our Engineering Division and the State has been doing traffic counts on different roads throughout the island and gathering data over time.

(Councilmember Kagawa was noted as not present.)

Mr. Tabata: We then look at the various treatments that are recommended to us through the third-party survey. The recommendations range from reconstruction, which is the most expensive, all the way to pavement preservation, that I will explain later, and treatments for the edge of pavement meaning the shoulders. After the Roads Division has gone out into the field, we will take that data and do a countywide agency review, which will include the Engineering Division, the Planning Department, the Transportation Agency; The Kaua'i Bus. We also look at other impacts our roads resurfacing project may have on other County projects, in specifically, in line with what the Department of Water is doing. If they

are planning to replace a waterline, we definitely do not want to resurface that road. We want to look for these projects, coordinate with the Department of Water, or any other developer on the island who may be making changes and/or do work. We will take the roads that are in the plan and look for changes that could be made in the travel way to be consistent with the recently passed General Plan. We will look at other designs in our recently passed County road standards which we updated to meet the needs of our community. Some possibilities were to add a bike lane, a sidewalk, or other improvements at crossings. With the multiple agencies, we gather all of the data as we sit down with the Roads Division to discuss and determine work timeframe. If additional work is required based on the community input and traffic resolutions, we will look for the fastest way to turn the roads around. We will also look at street striping changes or if significant changes are required. The timeframes are prioritized by road work turnaround and bidding. The more Complexed projects will delay bidding, we would move shift projects around to accomplish more work done as fast as we can. Right now, the money we are looking at from the surcharge is for a ten-year period. I need to stress that it will take the full ten-year to get to all of our needs. I am receiving calls from all over the island. People are hearing about the surcharge, they are paying more, and "I want my road resurfaced now." Well, I am sorry. We need to do this in a practical way, so we are able to hit the highest needs first. The highest needs in some areas may not necessarily agree to the highest need in different areas such as Kekaha, Hanalei, Līhu'e, or another part of the island. Additional information we will look at is if a project will risk a scheduling delay, it will be replaced with the next highest priority. Streets resulting in funded needs will be looked at in the cycle of where we are with funding, and then the final submitted roads will be sent to the Mayor for approval.

Here is an overview of road maintenance and reconstruction. We basically have three (3) major areas that we look at which includes islandwide resurfacing, which is straight repaving; maintenance function, potholes; preventive maintenance and emergency repairs, roads that are totally crumbling. Examples of each are seen all over the island. Examples of emergency repairs have been done on Kōloa, Maluhia, and Haleko, Olohena Roads. We are currently at Ka'apuni Road. The Department of Water is scheduled to install a waterline on Ka'apuni and we have been waiting, waiting, and waiting. Their timeline does not match the community's needs. Being that we could not wait any longer, we are doing intermediate repairs, which is an example of an emergency repair. We look at roadway failure which I believe Ka'apuni does fit into that box. The roadway failure projects that are in our Collector Road System, we utilize the Statewide Transportation Improvement Program (STIP). Under this STIP program, reconstruction is done using eighty twenty (80/20) split. The picture shows a curve which identifies the road condition of the bottom being poor and the top being good, and in between are the various treatments I spoke to. If we are able to keep ourselves in the preventive maintenance quadrant, we will be able to keep our roads in better condition. A part of this is the road sealing. After our roads are resurfaced, we would like to go back after five (5) years and reseal the roadway. Parts of the curve you see are mill and fill where we go in a do resurfacing. Reconstructions calls for major work where we would go deeper than the surface and we work on the foundation doing deeper reconstruction. This photo reflects poor to good over time. Majority of the roads lifecycle is ten (10) years. If we are able to get to the road within the first five (5) out

of ten (10) years and do crack or road sealing with slurry or some other sort of product, we would be able to extend the wear life of a minimum five (5) more years. Which means instead of a ten (10) year lifecycle we expect to get fifteen (15), and if we go back another five (5), we will be able to extend the wear life another twenty (20) years. Ultimately, the condition of the base will dictate what we really happen during the rehabilitation or reconstruction portion. In general, the poorer the condition, the more expensive it is to maintain. Island Wide Crack Filling and Surface Sealing (IWCFSS) of our pavement service is called IWCFSS or sealing, which extends the life and improves the quality of our road pavements. It is used for the lower volume and lower speed roads in which we expect to extend life significantly. In 2017, we used four hundred thousand dollars (\$400,000) and we resurfaced one point six seven (1.67) miles. In 2018, we took one million five hundred thousand dollars (\$1,500,000) and we resurfaced a little over four and one half (4.5) miles. In 2019, we are presently out to bid. For islandwide resurfacing, it is a rehabilitation maintenance of asphalt overlay. It is on the border of doing preventative maintenance and corrective maintenance. The overlay is not as costly, but if we need to do reconstruction which we classify as the mill and fill. We go in and mill the section out to a certain depth and resurface with asphalt treated base, and do the overlay. It is a three-part process; however, it appears to be yielding an extended wear life. You are able to see that process going on extensively by HDOT right now on our highways. You are able to see the milling machine go in and mill off the surface to a certain depth which varies depending on the sub grade, they go back in with the asphalt treated base, and finish with asphalt overlay. We are employing the same process. In 2017, we had two million seven hundred thousand dollars (\$2,700,000). We have been told that we have rolled over two (2) years' worth of money. The Mayor added a little more and we were able to do just short of five (5) miles. We could have done more if we did straight overlay, but that does not do us any good if we pave over bad foundation. In 2018, we had three million two hundred thousand dollars (\$3,200,000) and we paved eleven and one half (11.5) miles.

(Councilmember Chock was noted as not present.)

Mr. Tabata: Again, it is a combination of mill and fill with the asphalt overlay. In 2019, right now, we have eight million dollars (\$8,000,000) which is out to bid. That is half of the total we are seeing right now for this year. We needed to share some of the money with transportation. Prevented maintenance, as I mentioned earlier, extends the wear life which includes potholes. We have moved from using coal mix for potholes. We use coal mix in extreme emergencies. We use cementitious material which is a little pricey and comes in five (5) gallon buckets. The field folks go in and mix, tamper it down as best as they can, and roll over the potholes. We do utility cut and excavation repairs. With the surface sealing we do crack fill of the cracks because one (1) of the major problems when the road cracks is we let water get underneath the road surface and that water totally destroys our pavement. We need to try and address crack filling and surface sealing of the pavement surface to try and extend the wear life. Recently, working with DOT, they have shared with us an open ended contract, a template for us to use, so we are able to improve delivery of the emergency work. Having the flexibility to have a contract that is open with a set amount of money that we encumber will give us flexibility and be able to move swifter to address road failures, before we can touch everything in

the next ten (10) years. This is just the beginning, and we are going to have more of these instances. We are looking at these open-ended contracts to help us quickly move around. So this is a list of what we did in 2017 and 2018. It is a little bit larger in the handouts that I sent you, but you will see the total number of roads that we touched. So you can see over here, the resurfacing. This is the sealing for 2017. Resurfacing for 2018. And then the whole bunch more of sealing that we did from 2018. We touched many roads, and we hope that is going to extend those roads minimum of five (5) more years. So this is just to capture with the small amount of money we did have and the amount of work we did do. So we are facing now coming up close to fourteen million dollars (\$14,000,000), seventy five percent (75%) of the twenty-four (24)—We are on it. We are going to be ready to go come July 1st. That is our goal. To talk a little bit about the federal aid process, we have been talking for years in trying to get our Federal Aid Program rolling at the County. We have had projects we have been developing for years. This program unfortunately comes attached with a lot of requirements in order to meet the Federal Highway needs. On the top of the page, we have Federal Highway Administration who passed the program through us through the DOT Highways Division. Part of the process is every four (4) years, we get asked to bring forth projects that we would like to place on the STIP. We are currently in a cycle where we are bringing projects forward. The fiscal year runs from October 1st to September 30th of the next year, and the County is allocating on the average eight million dollars (\$8,000,000) each Federal fiscal year. Right now, we are working feverishly to be able to encumber some funds in the present cycle. As we all know, our needs are far more beyond of what the Federal funding that is available. On the average, we have costs for reconstructing pavement of one million dollars (\$1,000,000), up to three hundred million dollars (\$300,000,000) a mile which depends how deep we need to go. For bridge replacements, it is from one million five hundred thousand dollars (\$1,500,000) up to twelve million dollars (\$12,000,000). These are our estimates. When you look at this, eight million dollars (\$8,000,000) does not go very far. This is what we are facing. We are proposing to use some of the GET funds so we are able to get ahead and we are able to find that balance. We have to find that balance. The GET fund will be an extremely big help but it is not going to solve all. We are still looking at opportunities. Most of our County's busiest streets are federal aid roads as I mentioned it is our Collective System, which is Kōloa and Maluhia Roads, Kekaha/Koke'e Road, which was recently done in 2013, Rice Street, Haleko, more recently some of the roads around Kukui Grove, Kawaihau Road, parts of Olohena, and I can go on.

(Councilmember Chock was noted as present.)

Mr. Tabata: We will be placing our projects that we have in process on the Engineering Division's Website. As I had mentioned earlier, all County bridges that are twenty (20) feet long are federal aid bridges, of which we have twenty-six (26) bridges that are all eligible for Federal funding. For each cycle, HDOT asked the County to submit projects for the STIP. We do not wait for the cycle, we need to bring projects forward because other projects throughout the State may drop off and we need to be "shovel ready" to begin the process. Criteria used by staff to identify possible projects are Preservation of Existing Federal Aid Bridges that are needing repair or replacement, Preservation of Existing Federal Aid Routes that are needing resurfacing or reconstruction, and where improvements are identified, ad

from planning documents we look at new routes possibilities. As we have stated before, the State is in no shape to add new routes or roads. However, we want to look at creating a grid type environment where we may want to fund our own roads to solve some of what we believe are congestion issues that come off the main State Highway, but compound within our own roadway network. We have some ideas that are needing to be worked on. Reasons for improvements, added to preservation projects, is safety. We are always looking at safety which includes sidewalks, crosswalks, and improving our paved shoulders. As I mentioned above, these new routes, we want to look at how we are able to reduce congestion. Turn lanes and roundabouts, we would fund these on our own for County roads. Improving access to bus stops and shelters.

(Councilmember Kagawa was noted as present.)

Mr. Tabata: We spent a lot of money putting these bus stops and shelters in place, but I believe if you look really closely, the access to these shelters a lot to be desired, but that is a part of the whole process. When we bring Transportation in to look at resurfacing, we want to possibly look at paved shoulders a little wider to create a walkway, look at reducing maintenance, and support economic development. It all ties together. This is a huge network of multimodal means of transportation, and we need to look at every method we are able in the travel way. The sources for improvements as we look at the General Plan, the individual community plans, and town core plan, there is a Federal Aid Highway 2035 Transportation Plan for Kaua'i. We have our Safe Routes to School Task Force, which we look at routes around a one (1) mile radius around our schools and transportation studies that have been completed; the Kapa'a Transportation Solutions and the Kaua'i Short Range Transit Plan. Every time we go to any public meetings to hear from the community, Engineering Investigations by DPW staff and based on requests from this body, the public, and other agencies we look at projects that we can bring forward. Additionally as I mentioned earlier, the General Plan helps us prioritize repair and maintenance of the existing corridor, establishes the priorities using performance-based evaluation processes. Safety, every year we receive the crash data from HDOT for our Collector Roads Systems. In addition, we also get data from KPD. We also look at system preservation. Our Collector Road is done by a third-party hired by the State. They give us ratings of poor to fair. As I mentioned earlier, they also take data for traffic volumes and they outfeed us this data to help us make decisions. On the economic development side, if we are able to improve connectivity to our town centers, schools, and parks using multimodal means of transportation, it will only make our communities healthier. We look at anticipated pedestrian and bike volumes. We have community members and partners, who go out and take bicycle counts and look at volumes on the roadways. We take all of that data into consideration when we are looking at projects. Support for growth in certain areas. Right now, there is a concerted effort to look at our infill development in our town cores. Whatever way we are able to help accommodate the infill and create these multimodal means of transportation in these communities with the infrastructure we are going to do. We like to look at projects that are going to reduce the congestion and improve the travel time, which was previously brought up in testimony, and in time, we are hoping to improve time in roadway capacity. Roadway capacity in a sense of what we are talking about is not only for vehicles. It

is also for transit, pedestrians, and for bicyclists. It will also protect the environment and the cultural assets that we have. It will encourage the reduction of petroleum use, and improve cultural and environmental resources by using less fossil fuels. At this time I want to open up it for questions. I also have my staff here from Roads Division, Ed Renaud and Engineering Division, Michael Moule. If they are able to come up and join me?

Council Chair Kaneshiro: Thank you.

Mr. Tabata: They are able to answer specifics.

Council Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Lyle, I guess it is on the last slide that talks about multimodal use and bike paths. Are we looking at more bike paths on this island?

Mr. Tabata: It is our duty to look at opportunities.

Councilmember Brun: If it is like on the road, I can see that. Driving up to Mahelona Hospital, I guess they did that walking path down from Mahelona

Mr. Tabata: Yes.

Councilmember Brun: My question is, we all want to do more bike paths, but our Parks & Recreation Division or whoever takes care of all of this is already stretched as it is, we have to look at different ways of having somebody to clean these paths. That one path going up to Mahelona is full of vines and everything. I know everybody is looking at bike paths, but what is the long-term? Yes, we can pay two million dollars (\$2,000,000) now, but we cannot supply the people to clean them. I think we have enough bike paths right now as it is. If it is on Rice Street because that is already on the street, vines and things will not be growing, paths that are on the backroads, we need to find a way to clean it. Everybody wants bike paths, but no one wants to clean them. All of these groups are saying, "We need more bike paths," but not one of them is raising their hands and are saying they will clean it for free. Nobody is adopting our bike paths. It is a burden of the County and it is costing the tax payers money to clean these bike paths. If we do not clean it, we get ripped on Facebook and Instagram because our Parks & Recreation are not doing their job. We are already stretched as it is so I am sorry, we really need to look at this to see what the long-term outcome is. Yes, we all want bike paths, but who is going to clean it? Who is going to take care of it? Who is going to maintain it? As a County, we cannot continue to afford this.

MICHAEL MOULE, Chief of Engineering: Councilmember Brun, thank you for your comments and questions. I want to point out that what we are talking about here today, when we talked about the anticipated bike and pedestrian volume, what we are talking about today is the various factors that will go into prioritizing the potential resurfacing and reconstruction projects with improvements. This does not have to do with building separate paths. This actually has to do say, if we are doing

a project, say for example, one of the current projects on the STIP that we did is Puhi Road. We have already seen so we already know what it looks like. That road was two (2) lanes, no shoulders, no bike lanes, and no sidewalks. That project included, in addition to reconstructing the road, we have added to that based on the Complete Streets Resolution to put in sidewalks and bike lanes to get people to Kaua'i Community College (KCC). That project under these prioritization criteria that we are using and is also used by the State with respect to putting projects on the STIP, would be higher... would be higher ranked because it is improving facilities for walking and biking and there is a lot of pedestrian and bike volume anticipated because it is providing connections to KCC. That is what we are talking about. We are not talking with this program that we are presenting today building paths, if that makes sense.

Councilmember Brun: I understand. Eventually, it will get there. We are not talking about it today, but I am just saying we really need to look at these things and see what a long-term outcome is. Yes, everybody wants it, but nobody is willing to take care of it. Sure, you are not talking about it today, but once you build this road, somebody will come in and say, "We need a bike path here." This is just putting something in your folks head that when you look forward to the twelve million five hundred thousand dollars (\$12,500,000), twenty-five million dollars (\$25,000,000) that we received, we need to use that wisely to patch and fix our roads. Then, if we have extra, we can look at more bike paths and sustainable transportation.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: A follow up to that. When you folks pleaded here for us to support the half percent (.5%), the plea was, "We are in backlog of one hundred million dollars (\$100,000,000) in road repair, and bridges are another one hundred million dollars (\$100,000,000), and we need this money to catch up." The plea was not to focus on bikes and pedestrians things. We were going to address those things if it fell in line with the work we were doing and if it would flow in? That is fine and I am hoping that we will stay on track.

Mr. Tabata: That is exactly what we are saying. This is the criteria that by law, we need to look at, and in help us with the travel way every time we spend this money. It is a State and Federal Law that we need to look at these options for our communities every time we go out and resurface roads.

Councilmember Kagawa: Okay, but when we do what we said and counts in justifying why we are expanding walking and bike paths, are we counting those that are really walking or riding with a purpose? Like trying to get to school, trying to get to work, or trying to go shopping? The people that I see, ninety-nine percent (99%) is riding for exercise. Ninety-nine percent (99%) of what I see and I am not an official counter, I see for exercise. Exercise in my opinion, can be done at existing facilities created for exercise. To me, it is not safe to drive on some of our roads. It is not safe in the back of Maluhia or on Olohena, for example, to be creating bike paths. Our road is too narrow. It is a safety issue that I have with that. I am hoping that within reason we will decide what is needed. I am not sure too many

people are going to ride from Wailua Homesteads all the way to Kapa'a Elementary School, Kapa'a Middle School, or Kapa'a High School. It is too dangerous. It is not wide enough. I am hoping we are able to focus on fixing the backlog as you said you needed that GET. I am hoping that ten (10) years into this funding when it runs out, we will still have one hundred million dollars (\$100,000,000). If not, this to me will mean that this Administration did not fulfill its promise to the public. I am hoping we stay on the right track.

Councilmember Chock: Thank you Mr. Chair. Let me start with the overall question that I have and it is about really trying to mitigate and analyze if we really have what it takes to get everything done within the ten (10) year period? The things that I am thinking about is we have three hundred eight (308) miles of road to repave and/or seal cracks. When I look at the list for 2019, I see we have about seventeen (17) miles of road to actually repave, about twenty-three (23). We are getting to about forty (40) miles of road this year. Which I guess it would make sense if you are averaging thirty (30) over ten (10) years. I am trying to look at what we have here. We have eight million dollars (\$8,000,000) that is not including what the federal aid will support. In looking at the cost I feel that we might be a little short because we have not even talked about bridges. I am wanting to get a sense of where we are on that? When we are talking about the road priorities. Are we talking about the goal being us needing to hit all three hundred eight (308) miles of road on island in ten (10) years? Is that what we are trying to do or are we just trying to repave as much as possible?

Mr. Tabata: The intent is to touch every mile in some way or fashion. As you saw from the curve, you will have roads in various stages. Some of which we are able to recover. The idea is to get tangible resurfaced roadways that is able to be maintained and sustained. We are trying to address them in a sensible matter. Meaning, we definitely do not have the money to reconstruct everything. As we have shown in example, the federal aid process does not have enough money. However, if we have the project ready and something falls off on the State, we are hoping to leverage that in getting that money because we are able to show that we will be shovel-ready, or we need to decide if we are using our GET funds. At that point, decisions are going to be made with the Administration. You are right, when you look at the whole picture, all of our bridges and those are just the bridges that we have identified through the federal aid process, but there is an entire host of other small culverts that are shorter than twenty (20) feet spans, crossings that are just shy of twenty (20) feet, and we have yet to touch those. We were just starting to review those roads and facilities when the storm hit last April, we have lost a year in our process. We have been working on storm recovery and finally just finished Kahiliholo. That is not to make an excuse. We are still intending to touch everything in ten (10) years and it might call that we are needing to extend some portion.

Councilmember Chock: Okay. What I am hearing is you are saying five (5) years or so into any road, you are needing to redo?

Mr. Tabata: We would like to revisit them.

Councilmember Chock: So after ten (10) years in getting all of our roads up to shape, the backlog is now taken care of, what I am hearing you say is that we are not going to have enough to continue that maintenance?

Mr. Tabata: Not at the rate we were.

Councilmember Chock: If we were saying, we are not going to take the GET back? It will be a whole new direction on how we plan on saving and taking care of things.

Mr. Tabata: So part of what the State is announcing right now town hall meetings for the Hawai'i Road Usage Charge, which the meeting is next week on the 22nd and 23rd. I believe the 22nd is here in Lihue and the 23rd is at the Kōloa Neighborhood Center. They are looking at another means to receive revenues. As I had mentioned upfront, it is the vehicle weight and fuel taxes. High efficient and electric vehicles do not pay a fuel tax but they still drive the same amount of miles on our roadway. They do not participate in funding at least the fuel tax portion. They have received the newest DOT grant to do a pilot by sending out draft or fake invoices that will show the consumer if they were to be charged based on vehicle miles traveled, this is what you are going to pay. It is just for the example, they are saying they will send out invoices that are revenue neutral. Meaning, it is not increasing but recapturing the market or the revenues that we have loss with the high-efficient and electric vehicles. There is two (2) sides to every argument. On one (1) side the community who said, "We took on the high-efficient and electric vehicles to save the environment so we should be charged less." However, for me all I see is the rubber on the road. Those vehicles wear out the road just as much as all the others. This is their pilot to see what the potential is in recovering funds.

Councilmember Chock: Thank you Lyle. I am glad you folks are relooking at all of it, the whole program. I think what we have heard from testimony here is that there are vehicles based on weight that have different road impact, I would hope that what we are doing is looking at that holistically so we are able to attribute the right amount of uses per road mile.

Mr. Tabata: I believe the Legislature, I am not sure where it stands but they were going to look at that as DOT asked for increases.

Councilmember Chock: Mr. Chair, I have another questions, but I will release the floor.

Councilmember Cowden. Thank you very much for making this presentation. It is helpful for me in understanding some of the parts that create the delays that make good sense like waiting to put in the waterlines. I will say I get questions almost every day, or comments about the roads. It is a very big issue for people. I want to also just acknowledge and thank you for all the heavy work that you have done in 2018 with the floods and it is still undergoing. Thank you for Kahiliholo Road and getting that finished. The shoulders and the guardrails are not in yet but those will be coming up soon right?

Mr. Tabata: Yes, the remaining work.

Councilmember Cowden: I was appreciative of that. I wanted to ask and I appreciate this on the road resurfacing. Where would we find if a person was asking, would we see under one of these a map or where people would have an idea?

Mr. Tabata: No. There is no map, it is just a list.

Councilmember Cowden: There is just a list?

Mr. Tabata: We could improve our website to put a map.

Councilmember Cowden: Okay.

Mr. Tabata: So people are able to see the different districts. We are able to do it by districts. Right there, you are able to see that it is grouped by district.

Councilmember Cowden: I wonder if there is any kind of map...because what you have explained before is that you will go to an area so you do not need to move all of that equipment around?

Mr. Tabata: Yes. That is one of the criteria.

Councilmember Cowden: So maybe you will be working in the Wailua District, Kapa'a, maybe for a month or two, and then you might move to another area, and then another area. I think if people have or if it is easy way to tell people when those things might come up, of course there are emergencies that happen as well, right?

Mr. Tabata: We have press releases that we do. We outsource the resurfacing. When the contractor is going to be there, the Office of the Mayor will do press releases to let the public know that resurfacing will be occurring.

Councilmember Cowden: Okay and if there is any way that we could get something on that can put up on our website.

Mr. Tabata: We will work with our geographic information system (GIS) folks to help us.

Councilmember Cowden: Okay that will help...not everybody reads the press releases but thank you.

Council Chair Kaneshiro: Be careful on over promising on maps. Google Maps is easily available.

Mr. Tabata: I would have to beg for help.

Council Chair Kaneshiro: The names are there, if people are wanting to know where the road is, they could easily go on Google Maps, and type in the road name.

Mr. Tabata: Yes. They can do that too.

Council Chair Kaneshiro: I am just saying. Councilmember Cowden, do you have a new question? Councilmember Chock has a follow-up.

Councilmember Cowden: I will wait.

Council Chair Kaneshiro: I will come back to you right after the follow-up. Councilmember Chock.

Councilmember Chock: I am just following up on this list that we are looking by group and region, are they numbered by priority? Is that what that is? So if I look at group two (2) Kapa'a/Wailua District, Keālia Road, Hekili Road, Malu; does that mean that number 1 is what you want to go to first, correct?

Mr. Tabata: Correct.

Councilmember Chock: That is how we are able to tell what you will be focusing on?

Mr. Tabata: Yes, for that district.

Councilmember Chock: Thank you.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I was going to ask. You started asking a little bit. When we hear about those trucks with the big boulders and all of the soil, we have seen all of that sand coming from Mānā.

Mr. Tabata: State Highways has several locations where they...and the gentleman was correct where they used to scale vehicles. They randomly pulled vehicles off to the side, scale them, and even helped the truckers by doing safety checks. I believe the scale master retired for Kaua'i and I do not believe they have every replaced the position? It is a DOT function.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: The one hundred million dollar (\$100,000,000) backlog is that still accurate? I think that was discussed during the time of the excise surcharge.

Mr. Tabata: No. The one hundred million dollar (\$100,000,000) backlog was when Mr. Dill and I first came into office in 2010. Here is 2018. We have talked about within roads and bridges, it is like three hundred

million dollars (\$300,000,000) which was the estimate we have come up with when we were doing the presentations when doing the GET surcharge. It is formidable.

Councilmember Evslin: Then after ten (10) years what do you expect the backlog to be?

Mr. Tabata: Well, for road surfacing we expect to be able to touch everything and we will be in the cycle where each road will be at some state of hopefully better repair. With the rain and the way most of our roads have been constructed, it is hard to say. Like I said, I would love to go in and have engineering redesign the surface of all of our roads, getting down to the base, but many of the roads we have are inherited from either Pineapple or Sugar Plantations. Those roads were not ideally constructed which causes foundational issues.

Councilmember Evslin: Is there a sustainable level of backlog that we could...like a goal? What should we be at?

Mr. Tabata: I do not think I am able to answer that right now because we are embarking on this journey. Like I had mentioned, it will take us ten (10) years. We expect to take ten (10) years to get to all of it. I imagine in year ten (10), we will know better. I would say in year five (5) we should know better. Right now, it depends on the market too. We supposedly had three (3) pavers on the island and now I understand we only have two (2). It helps us with competition. We are able to get the better pricing and we are able to do more. We found in the last two (2) years, we received favorable bids that had come in, and we were able to add a little bit more. With the extra money, Mr. Renaud can attest that we have done the emergency repairs. That is what we did. We swung them around and said "Hey, we have this call and we have that call, we went out there, and yes, the road is crumbling so let us deal with it now." That is what led us to this open-ended contract we are talking about. We will be moving around a lot but there are roads that needs to be addressed now because they are at the emergency state.

Council Chair Kaneshiro: Follow-up questions, Councilmember Kagawa.

Councilmember Kagawa: I am kind of baffled by that last statement. I was elected in 2012 and I was told that road backlog was one hundred million dollars (\$100,000,000) at that time. This is 2012 now. It was one hundred million dollars (\$100,000,000) in 2012 and the bridge backlog was about another one hundred million dollars (\$100,000,000), so that is two hundred million dollars (\$200,000,000), and now you are saying in 2019, it is three hundred million dollars (\$300,000,000)? So did we do that poor of an estimate? How do you increase one hundred million dollars (\$100,000,000) more in seven (7) years? What is going on? Do we need to sharpen our pencils? What are we doing?

Mr. Moule: That is a very good question. I think that Lyle showed the slide with the curve about preventative, rehabilitation, and construction. The reconstruction is a lot more expensive than preventative maintenance and rehabilitation. We are behind the eight ball. We are to a point where things got a lot

six (6) to seven (7) years, I guess, from 2012 to 2019. More of our roads are in the reconstruction place than where they were when the study was first done and when Lyle first came into office. I will do a quick, and based on the collector roads alone that is where mainly my focus is in the Engineering Division. There are sixty-four (64) miles in collector roads and one (1) of the slides that Lyle showed you, showed that number. Another slide showed an estimated one million dollars (\$1,000,000) to three million dollars (\$3,000,000). It said rehabilitation that was my mistake. It should have said "reconstruction" because most of our collector roads needs reconstruction at least in part these days. Let us just assume that somewhere between a million and two (2) million average on that, you are looking about one hundred million dollars (\$100,000,000) for sixty-four (64) miles of road at a cost of one million dollars (\$1,000,000) to two million dollars (\$2,000,000) each, right? Average cost is like one million eight hundred dollars (\$1,800,000) or one million seven hundred dollars (\$1,700,000). That is one hundred million dollars (\$100,000,000) just for the collector roads, which that does not count the two hundred forty-four (244) miles of local roads. If we get to where we reconstruct all of those roads in ten (10) years hopefully sooner but in looking at the numbers it may take that long. We then should be looking at where on the collector roads we are looking at the rehabilitation where we are just resurfacing. That cost is somewhere on the order of maybe four hundred thousand dollars (\$400,000) per mile as opposed to a one million dollars (\$1,000,000) to two million dollars (\$2,000,000) per mile. Then you are looking at the cost to resurface all of those roads without the dig outs that are needed to correct the damage of maybe twenty-five million being the backlog at that point. That is the example of getting back to Councilmember Evslin's question, excuse me, and is that ideally on the collector roads side instead of having a one hundred million dollars (\$100,000,000) backlog now, you are looking at twenty-five million dollars (\$25,000,000) backlog. Eight (8) years ago, on the collector roads, it would have not been twenty-five million dollars (\$25,000,000) but it might have been fifteen million dollars (\$15,000,000) potentially on the collector roads. That is the point. We are behind which is why we needed the GET so we are able to catch up and get to a point down the road we are able to have a sustainable preventative maintenance and preservation program that cost a whole lot less than what we are looking at for the next several years.

Councilmember Kagawa: If you put yourselves in our shoes. If you are on this end and you heard six (6) years ago the backlog was two hundred million dollars (\$200,000,000) and six (6) years later, you are hearing it is three hundred million dollars (\$300,000,000), I mean, seriously on this end it sounds like a lot of excuses. I am trying to be honest.

Mr. Tabata: I tried to get the money, you were sitting right there, I tried to get the money.

Councilmember Kagawa: Well, I gave you the money, we were singing Kumbaya, and now we are saying we are not even going to come close.

Mr. Tabata: Yes, six (6) years later and now we have the money. We are starting this journey now. We are starting the journey right now.

Councilmember Kagawa: You still have not explained how it became one hundred million dollars (\$100,000,000) more?

Mr. Tabata: It is every year that we did not get money to address it, it fell behind even more. Every year it compounded.

Councilmember Kagawa: We collect gas taxes, fuel taxes, and all of that taxes to tell the public we can do zero (0)?

Mr. Tabata: One million two hundred thousand dollars (\$1,200,000) is all I was given.

Councilmember Kagawa: One million two hundred thousand dollars (\$1,200,000) a year?

Mr. Tabata: That is all I was getting. That is all we got. You saw the budgets every year. You were sitting right there.

Council Chair Kaneshiro: Councilmember Brun. Follow-up.

Councilmember Brun: If we reconstruct the road, what is the life expectancy of that?

Mr. Moule: For asphalt pavement, for the collector road types, the higher volume roads, like the sealing that was discussed here we do not typically use on the higher volume roads, we would want to resurface those. About every ten (10) years you need to resurface any road. If you do it well the first time, you would not have to dig deeply and those costs are three hundred thousand dollars (\$300,000) to five hundred thousand dollars (\$500,000) a mile in today's dollars. That is the answer to that questions I think is it is roughly every ten (10) years you are needing to resurface the busier roads that we have. The lesser volume roads can be sealed and that is more of the Roads Divisions side than the Engineering Division. It can be sealed but not paved nearly as often. They do last a lot longer.

Councilmember Brun: Okay, so. Reconstruction is completely tearing it up and repaving, is that reconstruction?

Mr. Moule: Reconstruction is generally meaning we are doing more than just taking two (2) inches off.

Councilmember Brun: That is doing the best job?

Mr. Moule: We are going down deeper than that. How deep is depending on how the bad the conditions are. On Puhi Road, we went down fourteen (14) inches. On Maluhia and Kōloa Road, we are not going down that deep in part because of the challenges in doing so, we were going to come back up with asphalt treated base to make it stronger.

Councilmember Brun: So we are looking at in ten (10) years, so in ten (10) years we will be...the question came up and we will probably be half (1/2). It will cost us half (1/2) to resurface and we will be probably be one hundred fifty million dollars (\$150,000,000) in backlog? If we are able to catch up with the three hundred million dollars (\$300,000,000) in ten (10) years, but now we need to go back and resurface? This is why I was asking how long the road will last? If it lasts ten (10) years, now we need to go back in ten (10) years, and we will be in this same spot that we are in today or maybe half (1/2) because we just need to reseal. I guess the answer to that question is we will be one hundred fifty million dollars (\$150,000,000) in the hole?

Mr. Moule: I think it will be a lot less than that. I just gave you an example on the collector roads going from one hundred million dollars (\$100,000,000) which is roughly what we have now down to twenty five million dollars (\$25,000,000) for collector roads alone. This is one fourth (1/4) the cost if we are just resurfacing instead of going deeper. For local roads, it is probably a similar number right, and the bridges of course, a lot of the bridges we have is one hundred (100) years old, right, or approaching that? Bridges last a lot longer so the bridge backlog if we are just replacing one (1), or almost down (inaudible) bridges are coming up later this year. These bridges will now last for seventy (70) to one hundred (100) years. We will not have to really touch those other than doing minor preventative maintenance. I think the backlog will be a lot lower than that. We have not done those detailed calculations at this point, but I think it is closer or less than one hundred million dollars (\$100,000,000).

Councilmember Brun: So in about ten (10) years we still will be about one hundred million dollars (\$100,000,000). We will probably never catch up?

Mr. Moule: I think less than that, more likely sixty (60) or seventy (70); it is a lot less. But again, we have not done the calculations in detail.

Councilmember Brun: That is fair. Thank you.

Council Chair Kaneshiro: Councilmember Evslin. This is not follow-up, you have any question you would like to ask.

Councilmember Evslin: It is still a follow-up. Once we are in a place where hopefully we are in preventative maintenance, do you foresee that we are able to sunset the excise and we will be able to handle it through an increase in gas tax? This is recognizing that the gas tax will have to increase significantly to account for the inflation and increasing efficiency over that time.

Mr. Tabata: That is the reason the State is piloting, implementing, and is being tested. That pilot will yield something. If that will be the solution to return the revenue to a sustainable amount then time will tell.

Council Chair Kaneshiro: I think we do not have control over whether we are going to get more GET money after ten (10) years or not. I can foresee we will

probably want it at that time, but it is up to the State to either allow us to continue charging the GET or they will probably take the GET, who knows in ten (10) years.

Mr. Moule: Let me try to address that very briefly. On the point from the previous budget we had for resurfacing as Lyle was talking about which is one million two hundred thousand dollars (\$1,200,000) a year, I will say that ten (10) years from now that number still will not be enough. With the inflation as well. I think that one way or the other, the legislative bodies, State legislature, you all as County Council will need to figure out how are we going to fund our roads knowing at that point we should have a good preventative maintenance and preservation program in place. What funding do we need to make that sustainable? I think it will more than one million two hundred thousand dollars (\$1,200,000) but it will be less than the GET that we have today. Where it is, it is probably closer to the lower end than the higher end, but still well above the one million two hundred thousand dollars (\$1,200,000) compared to what we are now. Fifteen (15)? What was the number?

Mr. Tabata: Fifteen (15), yes.

Mr. Moule: That is a significant difference. We should be somewhere in the middle and it will be up to the future legislative bodies to figure out exactly how to do that. It will probably be with some sort of use mileage tax that is being discussed now as opposed to fuel tax. By ten (10) years, I suspect that will be in place.

Councilmember Evslin: I have my final question. A STIP allocated, a road that needs resurfacing would be a higher priority for STIP funding, right? Is that then have a reverse incentive for us to let roads get into that condition and if we get into a place where we are doing mostly preventative...

Mr. Tabata: In order to get the STIP money, we needed to show the State that we have a maintenance program. In the Roads Division, they have catalogued all of our roads and we provided the information to show we are doing this maintenance. The product that we are putting out there now will show them that after five (5) years, we went in and did the sealing, the crack sealing, we did all of this work. They have it all in the inventory that will show the State that we have a computerized Maintenance Management System that we are employing that allows Engineering to be able to bring forward these STIP projects. Part of the projects we are talking about we need to show them and across the State that we are meeting this criteria to prioritize. Part of the criteria as mentioned is we are needing to look for pedestrian facilities, bicycle facilities, and transportation. If we are able to capsule all of them into one project, changes are we will be at a higher priority verses another County that would come in to strictly resurface a road.

Councilmember Evslin: So where I was going with the question is if in ten (10) years we are doing mostly preventative maintenance, in a perfect world where we get to where you folks want to be, would that potentially mean we will get less STIP funding because we have less roads that need resurfacing?

Mr. Moule: No. The formula that the State uses is largely based on the vehicle miles traveled on each island. I will say that the last time they have told us about it, Kaua'i has a little higher than what would be the allocation in part because of the numerous bridges on both State and County roads that are sort of behind on Kaua'i. It would not go down just because all of our roads are paved. It would mean that, that pavement (inaudible) is being used by us and the State to prioritize sort of...once we have this much funding which one should we do first? I guess is what is less used for rather than let us not give Kaua'i money because all the roads have been paved. Right. That is not how it is supposed to work and it is not how it has worked in the past.

Councilmember Evslin: Thank you.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: So on your slide at the bottom of page 11, you say 2019, eight million dollars (\$8,000,000) out to bid. When I looked on the 2000 Paving Plan on the website, it actually shows seventeen point six (17.6) miles total paving with additive alternatives and six point one two (6.12) miles for total crack filled surface sealing. So that is a total of twenty-three point seven six (23.76) miles for 2018.

Mr. Tabata: We put out more than the money we have available because if we were to get favorable prices like we have had the last two (2) years, we are able to quickly add additional roads.

Councilmember Kualii: So that plan that is on the website is twenty-three point seven six (23.76) miles, but what went out to bid was forty (40) miles or even more?

Mr. Tabata: No. It was eight million dollars (\$8,000,000) worth. The amount we do is based on how much money we have.

Councilmember Kualii: Right.

Mr. Tabata: We have this backlog, which we need to put out for more than money we have available as an additive.

Councilmember Kualii: Did you not start by saying it was twenty-four million dollars (\$24,000,000)?

Mr. Tabata: No. That is what is expected from the GET.

Councilmember Kualii: When you said seventy-five percent (75%), twenty-five percent (25%)?

Mr. Tabata: Yes. We will only get about fifteen (15) a year.

Councilmember Kualii: Right, but for sure 2019 is eight million dollars (\$8,000,000)?

Mr. Tabata: It is half (1/2) the money, it is only half (1/2). So this year, say it was twelve million dollars (\$12,000,000) which is half (1/2) of the twenty-four (24), of which we were given eight (8).

Councilmember Kualii: So, I mean when you put this online, citizens are able to go and look when they are concerned about their particular street, they are able to go and look there?

Mr. Tabata: Yes.

Councilmember Kualii: So, that is the plan for 2019 those twenty-three point seven six (23.76) miles?

Mr. Tabata: Yes. If they come in.

Councilmember Kualii: If you have your bids out?

Mr. Tabata: Yes it is all depending on the bids.

Councilmember Kualii: So, you made it sound like with the whole thing about competition and three (3) pavers, now only two (2) pavers. Are we limited on how much of the roads we are able to touch and how much we are able to repair because of the funding or because of the ability of pavers to do the job that we need them to do?

Mr. Tabata: Funding.

Councilmember Kualii: Funding. This posting of the paving schedule, you are only posting it one (1) year at a time? You have talked about ten (10) years' worth of things to do and you have all your criteria of how you decide which streets get priority, and I am sure there is a lot more than, we all know there is a lot more than what is being addressed on this 2019 schedule. I am wondering if for the citizens benefit, they are calling your office when they are wanting to know about their particular street. I know some of them are calling our offices.

Mr. Tabata: Yes, we do get calls. We do get calls.

Councilmember Kualii: If they were able to see this posted for more than a year out, even though it is just a forecast, an estimate based on your criteria, and obviously you have not gone out for bid yet. That might be useful information.

Mr. Tabata: We hesitate to do that because of how the condition in roads changes quickly.

Councilmember Kualii: Well, it will only get worse right? If you know what you have to...

Mr. Tabata: That will facilitate if you are moving roads up or down.

Councilmember Kualifi: Alright, and the priority. Okay, thank you.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Thank you, Mr. Chair. Let me set the context for this question. Last week for our National Association of Counties (NACo) Conference, I was able to meet with our Federal Delegation. Kaua'i's requests, one of the primary requests, was for this matching funds that we are talking about, this federal fund. My question is and there is a couple of things. One, they are already headed into State decision-making on State priorities. So her request, one of the Senators requests was that we would coordinate with them on what it is we are looking for in terms of developing that kind of fund in the near future. She also had said that the criticism in the past was that funds were available in Hawai'i and it was not taken advantage of. It could have been because we never had a match in the past? My question is about knowing that a big infrastructure package is coming forward and that we might be able to tap into even bigger moneys. What are we doing in terms of planning how we increase this STIP funds? I have heard what is needing to happen in terms of priority and what we need to focus on. Out of three hundred and eight (308) roads, how many of it is currently funded under STIP and what percentage can we anticipate increasing in order to kind of balance where we are short funded?

Mr. Tabata: There is only sixty-four (64) lane miles is eligible for federal funding.

Councilmember Chock: Can we increase that?

Mr. Tabata: No. It is based on a formula that the State has across the State with HDOT based on traffic volumes and destinations.

Councilmember Chock: Are all sixty-four (64) miles funded?

Mr. Tabata: Six (6) years ago, was the last review of our federal aid rules. We had to fight to keep several of our roads on the list. They wanted to cut back more for the County. We needed to come in with information to justify in keeping certain roads on the STIP.

(Councilmember Brun was noted as not present.)

Councilmember Chock: So the answer I am getting is, "Bring it on."

Mr. Tabata: Yes. Everything is controlled by HDOT.

Councilmember Chock: Out of the sixty-four (64), how much of that is funded by the federal government.

Mr. Tabata: It can all be, but we need the projects brought forward. That is what Engineering's function has been.

Councilmember Chock: I guess my question is what percentage of it is now funded that we can anticipate getting funding for?

Mr. Moule: I can try and answer that if I looked up the projects on the current STIP. For the road projects, I am just trying to add up the ones on the top of my head. I do not want to miss any. If we are looking at out of the sixty-four (64) in the next four (4) years STIP, I think we are looking at about fifteen (15) to twenty (20) miles that are programmed. That is how short we are. The point being what happened essentially is we said this is not going to be fundable with STIP. Lyle talked about Ka'apuni Road earlier and that is being down by Ed's crew in Roads Divisions. That is not being funded by STIP because it is one of those that there is not a lot of potential for improvements on it for short-term. Just resurfacing is easy to do and you do not need to run it through a STIP project because we do not have the funding. We do not have enough STIP funds to fund that and the other ones that are on the list. That is just one (1) example. There are plenty of others like that. There would not be an issue if for example the STIP funds doubled for the County of Kaua'i. We would have no problem, we do not need any more lane miles of road to be made STIP eligible in order for us to spend those funds if that answers the earlier part of your question.

Councilmember Chock: I think what I had heard is we are about a quarter (1/4) supported out of the sixty-four (64) miles?

Mr. Moule: Yes, a quarter (1/4) or one-third (1/3) maybe?

Councilmember Chock: So there is a lot of room for improvement.

Mr. Moule: Yes, there is certainly no doubt.

Councilmember Chock: My request is, we should try and plan for that.

Mr. Moule: Okay.

Councilmember Chock: Thank you.

Council Chair Kaneshiro: I have a follow-up question. If we lobbied the Feds about getting more money to Kaua'i particularly for matching funds, does that need to go through the State and is the State going to hold up that money? Of course I think that all of the islands are going to be fighting for STIP money. I think all except Maui. Big Island passed GET, we passed GET. Of course we would like to maximize our dollar by doing roads that we have eighty percent (80%) match up. Where we pay twenty percent (20%) and they pay eighty percent (80%). If the State is going to limit us on the amount of money we are able to match, is there any way to kind of increase that amount? Or get money directly from the Feds knowing we do not have a Federal Highway either.

Mr. Tabata: As Michael mentioned, it is based on vehicle miles traveled and it is divided across the State to a percentage. We are just rounding numbers. Our percentage is between seven (7) and eight percent (8%) and that is how we get to that eight million dollars (\$8,000,000).

Council Chair Kaneshiro: So if the Federal folks say that we see that Kaua'i is ready to have more matching funds, they are not able to get...we would not be able to...

Mr. Tabata: That is what I talked about. In the cycle, for the federal fiscal year cycle, we are coming up on it and if we have projects that are shovel-ready and someone else's project across the State falls, we will be ready. The State will look at us and say, "Well if you folks are ready, you have all your T's crossed and your I's dotted, and you are ready to roll," they will give us the money.

Council Chair Kaneshiro: This will still come from the State and it is not from the Federal.

Mr. Moule: The normal STIP funds are allocated to the State by the Federal basically. They distribute that around the State. There are special programs where the County is able to apply for grant funds. For example, to the Federal directly as we have done. For the most part the normal STIP funds are allocated Statewide. I am not aware of any potential for us to have the Federal say "Oh, Kaua'i gets this additional STIP funds." It is really the State that gets the additional STIP funds and that will get administered by the State. If you go back to slide 14 it talks about how the State administers that program so we are able to use some of those funds.

Council Chair Kaneshiro: Yes, I know we will go up to NACo every year and lobby for money. It will go to the State. If we are doing our hard lobbying, we would like to see the fruits of our labor, too, and maybe get more money. Again, I understand. We need to have our projects ready and if any projects throughout the rest of the State fall through, hopefully we are able to capitalize on that extra money.

Mr. Tabata: The example of getting more money was on Kaumuali'i Highway where the State was ready. So for Kaumuali'i Highway and the Mill Bridge, those were moneys that fell out from someone else's project and it ended up on Kaua'i. I mean, if you talk about the State had all of these moneys that they were not spending it, so that money ended up here. That was not normal for us to get that. Being that the State at that the time was ready, they go that funding.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I am hearing that we do not have enough money for what we need to do or we are pushing it out? I just want to ask, is there a separate pot of money for anything new? I know there are a couple of roundabouts that have been considered near Kapa'a High School, one (1) on Kolo Road in Kilauea Road, I think it is called Namahana in Kilauea; are those ever going to get built?

Mr. Tabata: It is in our STIP program. It is part of the STIP program.

Councilmember Cowden: So some of that STIP money will go towards new projects rather than only in the repair. I understand that repair is needing to happen first in the community. There is a number including Eggerking, there is a thought towards extending that. I think that our population is going to increase, and it seems like people have so many cars per family, how are we going to be able to...if we do not have any extra feet of roads, collector roads.

Mr. Tabata: The Kawaihau Project in specific is a part of the Safe Routes to School funding, but it is ran through the same STIP program because it is all Federal money. A majority of it will come from the State then merge with Safe Routes to School funding and our local match. As Michael was saying, we are limited to the total dollars every year. As we move and prepare to be ready and deliver the project to construction, we need to look at being careful that we have the rest of the State STIP Projects out there to balance and fund it appropriately and in time. They are on the project list.

Councilmember Cowden: Just for my clarity, those are parallel to this eight million dollars (\$8,000,000) that we are talking about or the one hundred million dollars (\$100,000,000) that we might be getting. Is it parallel funds or if we get that Safe Route to School Project or the Crosswalk in Kekaha, is that taking away from this (inaudible).

Mr. Tabata: We have packaged this with a resurfacing project with additional treatments.

Councilmember Cowden: Okay, I got it. Thank you.

Mr. Moule: That is the main point is that we have added improvements to our preservation projects.

Councilmember Cowden: Okay, I see.

Mr. Moule: When that makes sense. As we have talked about in slide 16, we have also looked to potentially add STIP Projects for new routes entirely like Eggerking, for example. In the current STIP, we did not propose any new routes because we had so many needs on preservation, we added some improvements to some of the preservation jobs, but we did not do projects where the primary purpose verses something totally new.

Councilmember Cowden: So, when we are saying striping like the crosswalk near the school in Kekaha that I know people are feeling very urgent, that would be part of a preservation project as we fix area we would put those there.

Mr. Moule: Some of the smaller things like that I think we are able to do and we are looking to do that in this case was part of our Operating Budget because they are not expensive.

Councilmember Cowden: Okay. Probably the Kīlauea School Safe Route include just some signs.

Mr. Moule: Yes, some of the stuff in the back of Kīlauea School is an Operating Budget type of expense. Putting a roundabout at the intersection of Kīlauea and Kolo Road is a Capital expense that would be and it is included in one of our STIP Projects.

Councilmember Cowden: Okay, thank you.

Council Chair Kaneshiro: So, we need to a lunchbreak at 12:30 p.m. Councilmember Kualī'i has one more question. We will take our lunchbreak and we are going to come back and see if there are any more questions and vote on this. Councilmember Kualī'i.

Councilmember Kualī'i: Hopefully this one is quick. We talked about it before when you talked about maintenance. You said preventative maintenance, pothole repairs, and emergency repairs. When a constituent wants to call in a complaint over a pothole repair, how does that get addressed, and what makes that an emergency? How do you differentiate between the pothole repair request and the emergency repair request? You did give the example about Ka'apuni Road and how those intermediate repairs and you had decided to just go with it. At one point you were waiting on the Department of Water and we were getting a lot of complaints about Ka'apuni Road. What does the citizen get when they call you for a pothole repair?

EDMOND RENAUD, Chief of Field Operations & Maintenance: Ed Renaud, for the record. Hello everybody. I know where you are going.

Councilmember Kualī'i: We even had testimony today, right?

Mr. Renaud: Yes, I heard all of that. The thing is we are going in there to do a temporary pothole repair and not to do reconstruction on any of that. The call comes in and we have within twenty-four (24) hours to get out there. Depending on the weather, they have two (2) different companies that supply them with products that they are able to put down. It is coal mix but it is a coal mix that is different from...it is a permanent. We are waiting for calls that are coming in, there is a lady in our office that takes everything from the complaintive to the solution.

Councilmember Kualī'i: So, it happens pretty quickly. You said twenty-four (24) hours to go and evaluate the situation.

Mr. Renaud: I have been writing roads and it is not that quick because the weather changes. We have been talking and there is a different plan that is going to happen to get that moved faster.

Council Chair Kaneshiro: With that, we are going to take a lunch break and we will be back at 1:30 p.m. We have a Public Hearing and finish the rest of our meeting up.

There being no objections, the meeting recessed at 12:30 p.m.

The meeting was called back to order at 1:31 p.m., and proceeded as follows:

Mr. Sato: This will bring us back to page 2, item C 2019-51, islandwide road resurfacing and repairs item.

Council Chair Kaneshiro: I will suspend the rules. Do we have any further questions for the Roads Division from the members?

Councilmember Evslin: I have one (1) question.

Council Chair Kaneshiro: Councilmember Evslin.

There being no objections, the rules were suspended.

Mr. Tabata: Lyle Tabata, Deputy County Engineer, for the record.

Councilmember Evslin: Thank you for coming up. I actually have two (2) related questions.

Mr. Tabata: Yes.

Councilmember Evslin: Number one, where is the best place for a community member to submit a pothole complaint?

Mr. Tabata: The Roads Division.

Councilmember Evslin: Can they find the E-mail address from the website?

Mr. Tabata: Yes, or just call.

Councilmember Cowden: Just in case someone is watching, what number can the public call?

Mr. Tabata: I do not have that number, I am sorry.

Councilmember Evslin: Once the call goes in, I think you mentioned twenty-four (24) hours, but what is the process?

Mr. Tabata: They log it in and create a work order, it gets sent to the appropriate baseyard, and it gets put into the system.

Councilmember Evslin: The other question I had might be a little broader, but when you folks are looking at doing resurfacing, do you take into account potential sea-level rise in the area, based on the Hawai'i Sea Level Rise Vulnerability and Adaptation Report?

Mr. Tabata: There are two (2) sea-level rise calculations and the horizon is beyond the ten (10) years. At this time, no, because we are trying to capture the moment of present day needs, but the Engineering Division will be looking at future needs. These reports are just coming out to us now and so it really was not on our radar as high of a priority. Especially, because of the horizons they are looking at, thirty-five (35) and fifty (50) years.

Councilmember Evslin: The Hawai'i Sea Level Rise Vulnerability and Adaption Report says six point five (6.5) miles of roadway on Kaua'i would be flooded with three point two (3.2) feet of sea-level rise. Do you folks know what portion of the six point five (6.5) miles would be County?

Mr. Tabata: So right now we are participating in the Westside Community Vulnerability Assessment and those are primarily on State Department of Transportation (DOT) roads, a little bit in Waimea Valley and some in Kekaha. I guess because the State highway is in front of us, we will see what they do to protect their roadway and in turn, we are working closely with them to look at long-term solutions. Right now, with that plan and the Westside Community Plan being developed, we have been participating with the community and getting feedback from them. Based on those plans, once merged, we will create a longer term solution.

Councilmember Evslin: Okay. Thank you.

Council Chair Kaneshiro: The number for reporting potholes is 241-4847.

Mr. Tabata: To the Roads Division.

Council Chair Kaneshiro: To report any potholes.

Mr. Tabata: Yes.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Thank you. This item about roads-in-limbo keeps coming up, circling back to the Council every year. With the General Excise Tax (GET) enacted, are there any plans to try and (inaudible) within this ten-year period. If so, do you have a list of those roads that we might be able to at least be able to communicate with the public that we are looking at?

Mr. Tabata: Good question. Just as I mentioned, we are trying to start surveying all of our County non-federal aide bridges and culverts, we are also beginning to review, at the Administration's request, the roads-in-limbo, which we have residents and we provide services to. Again, that got delayed because of the storm reaction, but we are aware of the list of roads that are potentially and that will be forthcoming also. By the way, I would like to offer an apology to Councilmember Kagawa for "loss of my cool."

Council Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: You said we are down to two (2) paving companies on the island.

Mr. Tabata: That is what I believe that bid on our projects, but I do not know for sure. I know at one time we had four (4).

Councilmember Brun: I know one (1) of them is still here and that was when they did some State jobs. It was kind of rocky. Did the quality of the work improve, because we are going out to bid and we only have two (2), I am pretty sure that they are one of them...

Mr. Tabata: I need to double-check with the State, but I know that company that did the work for the State had to redo their work.

Councilmember Brun: Yes. Did the quality of their work improve from that time?

Mr. Tabata: I believe they have.

Councilmember Brun: Okay, because what I am worried about is if we are going out to bid and we only have two (2) companies and usually you go for the lower bid, but we take the lower bid and the quality is not good, we will lose out in the long run.

Mr. Tabata: I believe once the company qualifies on the bid and we offer a contract, it is on us to manage them appropriately. I am not going to make excuses for them or other management issues, but I believe it will fall on us to manage the contract appropriately. If something is not done correctly, we will have to remedy it on our own and deal with the quality issues ourselves.

Councilmember Brun: That is exactly my concern. Usually you try and give it to the lowest bid, but if the quality is not there, we need to really look at how we give out this bid for the money that we are going to be using.

Mr. Tabata: Exactly. That point is well-taken.

Councilmember Brun: Thank you.

Council Chair Kaneshiro: Are there any further questions? If not, thank you Mr. Tabata. While the rules are still suspended, do we have any registered speakers?

Ms. Fountain-Tanigawa: Yes, we do. We have one (1) registered speaker, Trevor Ashworth.

Mr. Ashworth: Thank you. Trevor Ashworth, for the record. It was a great presentation and very informative, but what I think I heard is that we know sort of what the backlog is both at the County-level as well as at the State-level and at least the progress at the County-level is due to funding, that is what I sort of heard. We are living in a lower interest rate market; have we explored not only the road repair, but other capital improvements that we need to make as a County, gotten that entire list together and said, "Should we be going out to the bond market and selling bonds today in this low interest rate environment versus in five (5), six (6), or seven (7) years from now," where one would expect interest rates are going to be higher than they are today. If we go back twelve (12) months, we are looking at interest rates on average of one point four percent (1.4%), today, we are over two and one half percent (2.5%), you can get on a general savings account, so just something to think about. If a lot of this backlog could be solved with a money problem and of course there are other capital improvements that also probably could be solved with more money. Just something that came to mind. Another item that was talked about, the Safe Routes to School program, and living out in Kekaha we recently had a sidewalk that was put in under that program, and one of the aspects of that sidewalk was to put in grass seed and sprinklers and to pay Kaua'i Nursery & Landscaping, Inc. for the next twelve (12) months to come out and make sure that the sprinklers work, the grass is mowed, and make sure that the entire area between the road and the sidewalk looks nice. Well, prior to the sidewalk, that maintenance was all done by the homeowners, even though that was not technically their land, but all of the homeowners just took care of that beautification. I am wondering if in some of the Safe Routes to School funding that we get, can we look at ways in which we can partner either with the local homeowners or with the private industry who are looking to make investments in the community rather it be the seed companies or other businesses, so that we can take some of those funds out of there and then potentially use them to do more Safe Routes to School programs. Again, just a thought. Based on some of the questions, comments were around, "No, that is not a County road, that is a State road." What are we doing? Are we asking the State to come to these Council Meetings? How are we holding the State accountable, because a lot of the residents do not really know if it is a County road or a State road and certainly the tourists do not understand that. While the County might understand what is County and State, like I said, the vast population does not understand.

Council Chair Kaneshiro: That is your time. You can have another three (3) minutes, if you want, if there is no one else in the audience that wants to speak for their first time. We are on the roads item. Okay, you are going to have to come back, Trevor.

Mr. Ashforth: Okay.

DALE ROSENFELT: *Aloha*, I am Dale Rosenfelt. I have just put in a request for reimbursement for two (2) of my tires and an alignment that audibly popped on Olohena Road, lost air, and needs to be replaced. Olohena Road has been a real problem. The road that I live on, Waipouli, that comes off the top of Olohena Road. As soon as I spoke with Scott, Mario, and Michael in the morning, that night I had a blowout. The next day, it was not repaired, but the day after, it was. There was a skim coat of asphalt put on the worst of the places, which now a week later is gone. The holes are just as deep, at the far end of Waipouli Road, just before it turns hard. We have a lot of trees up there. I know that the trees are part of the issue. The root systems are destroying the roads up there. There were some tree trimming done on Waipouli and Kainahola Road, I would like to know what type of thing is going to happen to help the tree systems not be part of the problem as well as the repairs. Thank you.

Council Chair Kaneshiro: Is there anyone else in the audience wishing to speak for a first time? Is there anyone wishing to speak for a second time?

Mr. Ashworth: Thank you. Trevor Ashworth, for the record. Just one (1) other comment. I had read even before this meeting around the State looking at changing the gas tax to a mileage-based tax and I would like to add a comment that I do think it would represent a hardship for those that live out in the west side, especially. There are more affordable housing out on the west side, but a lot of the jobs are in Po'ipū, Līhu'e, and the rest of the island. I think we should take that into account when the County is giving its feedback to the State on the change. Additionally, and this came out in one of the west side community meetings that thirty-five (35) years ago, there were one (1) or two (2) four-wheel drive vehicles at least in the Kekaha area. Now it seems as though everyone has two (2) to three (3) four-wheel drive vehicles. Maybe an alternative and a way to raise additional funds because of the wear and tear on the road is due, as we heard, to the weight of the vehicles and not just commercial, but also personal vehicles...is to look at maybe after your first heavy duty or four-wheel drive vehicle, maybe the registration fees on those second, third, fourth, and fifth vehicles, becomes more expensive. Therefore, that will help to shoulder some of the burden of the roads, but at a minimum I think they should take into account the burden that you will place on people that live farther away from their job and they will have to travel. I do not know the avenue to provide that feedback to the State.

Council Chair Kaneshiro: Thank you. Vehicles do pay a vehicle weight tax based on their weight. Is there anyone else wishing to testify for a second time? If not, I will call this meeting back to order.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Is there any final discussion on roads from the members? Councilmember Kagawa.

Councilmember Kagawa: Thank you. I am a little concerned about the comments by the Administration that they intend to fund twenty-five percent (25%)

of the GET revenues for the bus. Currently, we fund the bus about nine million dollars (\$9,000,000), in total, and I think that is sufficient. We have not received the efficiency study back from them as far as how they are performing, what kind of improvements they can make with their current funding, and yet our intention is to add another four million dollars (\$4,000,000) to the bus budget before we even know how efficient the bus is running now. It baffles me. I hope that the Finance Director will consider some of the thoughts because we get the final say on the budget. I will not be supporting any increase to the bus until I get that efficiency study back. I would prefer instead of doing an eight million dollar (\$8,000,000) share with the bus, I would prefer something more like twenty-two million dollars (\$22,000,000) for roads and two million dollars (\$2,000,000) for the bus. That would make more sense since we have a severe backlog that now has grown by another one hundred million dollars (\$100,000,000). I cannot see how we are going to fix the problem without more needed attention and I would hope that as we proceed forward that the Administration will consider some of our thoughts about the way we are going about things because if you just take a drive; go from Kekaha all the way to the north shore and look at the conditions of the roads. Ask residents as you go and you see the conditions of the roads, I am talking Hanapēpē Heights, Kekaha, Hanapēpē Town, Waimea, all the way to Olohena, you name it; look at the condition of the roads. Kapahi Road, Kawaihau Road, and ask the residents, "Can you afford to pay any more in taxes? Can you afford it coming out of your car registration, your gas, your vehicle weight, and your property tax?" I can guarantee you that the answer will be, "Heck no. What are you folks doing with the money now?" I am fortunate, I have true experience, my dad used to be the Deputy County Engineer for the County of Kaua'i in the '70s. During that time, they built all of the neighborhood centers that you see, they took care of opening all of the river mouths on Kaua'i, regularly, and of course they maintained the roads. We had no roads that looked like today and they did it without the addition of a one-half percent (0.5%) GET surcharge. Somewhere along the line, we let this backlog grow. Yes, it is not Lyle's fault, but somewhere along the line we dropped the ball, we need to do more, I do not know how we are going to do more but giving a big chunk to the bus, and not give attention to the immediate need that majority of our residents want. They want our roads to be fixed and our bridges to be fixed. We have over one hundred (100) year old bridges that are spalling badly, concrete falling off, reinforcing bars (rebars) exposed, and our metal bridges are all rusted. I mean it is bad. I am passionate about it because I only have one and one-half (1.5) years more before I end trying to do something about it and I just want to give my best to the public who elected us. Do the best we can. You are going to collect a tax from them, then do the best job you can and I am not talking about doing this beautification projects, I am talking about fixing the roads out there that have been deteriorating for many years. I plead with the Administration. I want to help you folks. I do not want to fight with you folks, but whatever way we can, let us fix the problem because even when I try to back up the County's side, the public tells me, "You are making excuses." I really feel like I am.

Council Chair Kaneshiro:

Councilmember Brun.

Councilmember Brun: When this GET came up, first, I did not support it and then it came around and I saw what we needed and we hear Mr. Renaud's name out there of, "Not doing this," but I just do not think we gave him

the money he needed to do the roads. I think that was our problem and now with this GET and I kind of had the same concern as Councilmember Kagawa when we put in eight million dollars (\$8,000,000) to the bus or whatever it is, I think we need to really cut back on that until that study comes out and we are efficient with the bus, which we are not right now. We heard it from them. Until they can make the changes, then we can put money into the bus. I feel like the Administration's priorities were not...we could have put a lot more to roads and we did not. I heard from this budget coming up that we are taking money out from different places and putting it to other Departments that does not need to be there. Roads and housing is our issue right now and whatever money we can put towards that is what we need to do. Let us not take it and do all the "fluff." That is the reason I brought up about the bike path, because we need to fix the roads. We need a bike path on the west side, I hear it all the time, but I do not want a bike path on the side of the road; that is just dangerous. We need to do it through the backroad. I am not against bike paths, but we need to do it right. I just feel like we are not putting enough money to the Roads Division that they need to do their job and hopefully with this Administration, we are going to take this a lot more serious and put a lot more money where we need to, to get these roads done because that is all we hear from people every single time is roads. If we do not do anything about it, we will see at budget time where we need to cut and add to different places, but I mean this year we are going to look at the budget a little closer than we did the years prior. Thank you.

Council Chair Kaneshiro:

Councilmember Chock.

Councilmember Chock: I just want to thank the Administration for the update on where we are headed with our roads. I think what I heard was about half of the testimony and what I hear on a daily basis more or less is not only the roads, but also the traffic. It has been an issue since I have been on this Council. I want to take a little different perspective on this because I agree we need to get our roads maintained and I think as you can see today, we have an Administration who is taking a look at it and where we have fallen way behind, even in the amount of time that we have actually generated the list to maintain. In regards to transportation, I think that it is also something that the people are asking for as well. They are asking for solutions and we need to be able to respond to that. The percentage that we are looking at dictates where they are, meaning a short-range transit plan has been enacted, completed, and that those studies have been acted on and we should be hearing very soon and we have not had an update on their progress. That would help determine what it is they should be asking for in terms of improvements, so I think it is a little bit premature at least from my perspective for us to make that determination. We will be hearing the budget and its details at least by tomorrow with the State of Address from our Mayor, and we should be looking at how it is we can support all of the concerns of our people on this island. I am a huge advocate of fixing these roads; let us make sure we can address the other concern for our people, which is the traffic conditions. Thank you.

Council Chair Kaneshiro:

Councilmember Cowden.

Councilmember Cowden: I want to thank you very much for coming in and giving a quality presentation. I, like Councilmember Chock, look forward to

hearing what our new Mayor has to say on Friday and I have a handful of ideas about...

Council Chair Kaneshiro: Thursday.

Councilmember Cowden: Thursday, excuse me. Tomorrow morning. I am going to listen first and definitely look at how we can do some funding. It seems like if we can do some of these extra side streets connectors, we might be reducing some traffic, so we have a lot that we need done. Thank you so much.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: I want to thank the Administration for coming today. I learned a lot from your presentation and I appreciate it. I think it is interesting and valuable that we took on talking about the retirement system and roads on the same day. These dual crises are affecting every small government across the Country, as the economist call it, "A fiscal ice age." As our population growth slows and our economic growth slows, everywhere around the Country is facing these same problems, and all are trying to deal with them. One thing that drives the road maintenance issue even more is the fact that the gas tax is unique among taxes and that every year is worth a little bit less, right, because of inflation and because of increasing mileage of cars. The gas tax is probably the only tax that needs to be continually increased just to keep pace with that and the federal government has not increased the gas tax since 1992, I believe, and they have been trying to shoulder the burden on the State and Counties, so we need to pick up the slack in some fashion. I understand the reason for the excise tax to get us out of this hole. I would like to see going forward, I hope to be sitting here in ten (10) years approximately, figure out a way for us to phase and to ensure that when that ten-year sunset comes up, we are prepared to handle that through other non-regressive sources and recognizing that the gas tax has to be increased just to keep pace with inflation. I appreciate that conversation again and we will be battling this issue for the rest of our life, probably. Thank you.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I, too, want to say thank you for coming today, for the presentation, and for all the information. I was not someone who supported the General Excise Tax. I think it is a tax that affects the poorest among us the worst disproportionately. The fact that it is there in place, it is even more important that we deliver as a County and that we be as productive as possible and we just be accountable. I think every year we will be looking at this very closely at budget and we need to do better. We need to maximize the roads, address it, be faster, get more done, and the citizens will know. We hear from them day-in-and-day-out. We definitely need to make sure that we are responding to their complaints about the roads and fixing them. You have your criteria and priority and all of that, but we need to get them all done and not just the first and second priority, but the third and fourth as well. Because for everyone, their issue, is the number one priority and maybe it will take "squeaky wheel" and what have you, but I am sure we just hear more and more from our citizens, so let us make sure we deliver in purpose. Thank you.

Council Chair Kaneshiro: I just want to say thank you for the presentation. I think you have walked us well through the process of the roads. As far as taking that step for the General Excise Tax, I know a lot of people...roads have been an issue for a long time and that is what pushed us over the edge to say, "How are we going to fix our roads," and we did not have the resources for it. That is why we voted for the General Excise Tax in the first place. We know what our road obligation was and there was no money in sight. We were budgeting one million dollars (\$1,000,000) a year in road repair that we would not use in the first year and then we would combine it with the second year to make two million dollars (\$2,000,000) and that is what we would go out to bid on. There is no way that we would even scratch barely any of our roads at that point, so I think the Councilmembers that saw that and said, "Realistically there is no way to catch up with the roads without a General Excise Tax." No one wants to tax the public, but it is something that had to get done in order to get our roads done. I hear a lot about, "So, where is the money going and what roads are getting done?" Unfortunately, we did the vote maybe a year or two ago, the tax did not get into effect until January 1st, so we have not even received any of the money from the General Excise Tax yet. It will take time. We are only going to get half the amount of money that was projected because it is only half a year for General Excise Taxes here, so I just have to say be a little patient. The money is going to come in. I hope I am on Council when it actually comes in and you get to see the roads, but if I am not, you will be sure there are going to be Councilmembers that said, "We did this; we made that happen." But it takes a while. You saw the procedures that it takes to do a road. There are engineering studies, there is a lot of work that needs to get done ahead of time to get the roads ready to be worked on, and it takes time. I can assure you that we are going to hold the Administration accountable. When the money is here and it is time to start getting roads done, we will definitely be on them as far as what roads are they getting done and how are they spending the money and helping the community. Is there further discussion from the members?

The motion to receive C 2019-51 for the record was then put, and unanimously carried.

C 2019-53 Communication (02/22/2019) from the Deputy County Engineer, requesting Council approval of the following:

- Apply for, receive, and expend Emergency Watershed Protection Grant Funds from the National Resource Conservation Service (NRCS) – Cooperative Agreement Program, in the amount of \$293,944 (75% of total project cost); and
- Accept and expend \$97,981 from Hanalei Traders to be used for the 25% matching funds requirement for the NRCS project.

The total project cost is estimated to be \$391,925 and is to be used for Hanalei River embankment erosion mitigation.

Councilmember Kualii moved to approve C 2019-53, seconded by Councilmember Brun.

Council Chair Kaneshiro: Are there any questions from the members on this item? I will suspend the rules. Councilmember Cowden.

There being no objections, the rules were suspended.

Mr. Tabata: Good afternoon, Chair, Vice Chair, and Councilmembers. Lyle Tabata, Deputy County Engineer.

Councilmember Cowden: Thank you. I was looking at the images in here, but can you just give me a short clarification of what exactly the goal is?

(Councilmember Brun was noted as excused.)

Mr. Tabata: The goal is to repair erosion at the property, from the river, yes.

Councilmember Cowden: From the river?

Mr. Tabata: Yes.

Councilmember Cowden: It has moved back probably twenty-feet in the last twenty (20) years, do you know?

MICHAEL TRESLER, Executive Assistant to the Mayor: Mike Tresler, Public Works. We can call up Andy Hood who is the engineer on the project and he can answer that question.

Councilmember Cowden: Okay.

ANDREW HOOD: Aloha, my name is Andy Hood. I have been retained by the Hanalei Traders, the property owners along the project. To answer your question, over the last thirty (30) years, there has been approximately thirty (30) to forty (40) feet of retreat of the streambank onto the subject property.

Councilmember Cowden: Okay. So there is 'auwai that comes out right there, right? Is that what has basically cut away from that?

Mr. Hood: No.

Councilmember Cowden: Okay.

Mr. Hood: The 'auwai terminates at the downstream end of the property and discharges into a low gradient section of the river. What has happened is that there were some ad hoc dumping of rocks upstream of the river years and years ago, which reduced the channel capacity and accelerated velocities. There has been constant encroachment by hau bush growing into the Hanalei River,

which is diminished its wetted surface by about fifty percent (50%) over the last thirty (30) years and so during flooding events, the streambank is very prone to erosion because of saturation of the material and the forcing of the main velocity vectors up against that riverbank of the subject property.

Councilmember Cowden: I am really well aware of that area and it moved a big amount. I used to actually have a business right in the Trader Building there. Are you going to cut the *hau*? Are you going to dredge the river? How are you going to fix it?

Mr. Hood: We are not going to fix the source of the problem; we are doing a treatment work, which is along the property. We are putting in what is called a "bio-wall." It is comprised of toe stabilizing rocks on the bed of the river, up against the bank of the river and then a bio-wall, which is comprised of a geosynthetic fabric that interlocks that are filled in with grow media and then you put native sedges in to grow in to stabilize the bank. It is not a harden structure. The bags are porous; they will absorb water, but it is basically to control the bank retreat the erosion of it.

Councilmember Cowden: So it is going to stay where it is at, but it is just not going to get worse?

Mr. Hood: Yes.

Councilmember Cowden: And that is about a four hundred thousand dollar (\$400,000) job and the trader runners are going to be paying for one quarter (1/4) of that?

Mr. Hood: Yes.

Councilmember Cowden: And the County is not paying for any of it?

Mr. Hood: The County's portion would be that they have to...because of the way the EWP (Emergency Watershed Protection) Program is set up through the NRCS...

Councilmember Cowden: What is EWP?

Mr. Hood: Emergency Watershed Protection Program.

Councilmember Cowden: Okay.

Mr. Hood: Just as background, we became aware of this program on May 4th or 5th post-flood meeting up at the Hanalei Elementary School. The NRCS representatives had a table there. They were sharing this information; we investigated it. They cannot enter into the program with private property owners. It has to be sponsored by a municipality. Lyle graciously offered to sponsor it. The agreement that we had was that we would put as little burden on the County, as possible, since we already have all the permits, we have done all the design, and

everything is ready to go, shovel-ready. We will be having them track their time to administer the procurement process and they have to be the liaison to the NRCS, so that time that they accrue on the project will be considered in-kind to the NRCS and help offset the twenty-five percent (25%) match.

Councilmember Cowden: Am I correct that the grade in that area of town is low-lying, so when you solve this area, it helps keep flooding from some of the downstream neighbors? I mean, a little bit more westerly neighbors...when I watch the water come over there, it really dumps over. When we have a flood event, it dumps over that area pretty heavily.

Mr. Hood: Actually, the bio-wall will just prevent erosion. It will not change the depth of floodwaters in the area and it is not being built up above the existing bank. It will go up to the top of the existing riverbank and down toward the bottom. Therefore, we will not be affecting floodwaters.

Councilmember Cowden: But by having it not move away...because over the years, I have watched that move and move and you think pretty soon it is going to go right into the building.

Mr. Hood: Well, you are correct on that. If something is not done, there is going to be a continuation of loss of property, the buildings are going to fall into the river, and eventually when the Trader's property gets washed out, the land actually, more Hanalei Town side, is lower elevation.

Councilmember Cowden: That is what I am asking, so, this is going to help more than just that building if we did not do that, eventually if it continues moving the way it has been, the flood events in Hanalei would get more profound.

Mr. Hood: Yes.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Remember when you said it is a fix for the location, but does not address the source of the issue, can you explain what it is that we need to be looking at in long-term?

Mr. Hood: It is sort of a hypothesis at this point, because there has not been a real rigorous study done by myself or others that I am aware of. But the hypothesis is basically the channel is being constricted and it is continually happening and as a result the hydrodynamics of the river are changing, right? The river has a certain amount of water that is going to push the water through either faster or slower depending on how wide and how much roughness there is, therefore, the *hau* bush has been definitely identified by the community for quite some time as encroaching. It is even preventing passing of outriggers that are doing paddling up there and things and other activities that were not really thought out in terms of putting some rock in the river to protect just a couple areas. The rocks were just, I hate to use the term, but "ad hoc," just thrown in the river and observationally, that seems to have exacerbated the problem as well.

Councilmember Chock: Okay.

Council Chair Kaneshiro: Are there further questions from the members? If not, thank you.

Mr. Hood: Thank you.

Council Chair Kaneshiro: Is there anyone in the audience wishing to testify on this?

Mr. Ashworth: Trevor Ashworth, for the record. Thank you. This is a good example of public-private partnership, but I wonder if we are setting a precedent as a County to say, "If there are other examples where there are private lands and we could apply for these grants and the homeowner could pay or the property owner could pay twenty-five percent (25%), is that what we are doing as a County?" I think this would be cited in the future and if another landowner does not get the same commitment from the County, it could be setting, like I said...we are setting a precedent, potentially. If we are, that is fine, but we should be very clear on that and not just looking at this as a sort of a "one-time" special event. Thank you.

Council Chair Kaneshiro: Is there anyone else in the audience wishing to testify? Seeing none, I will call the meeting back to order. Councilmember Kagawa.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Councilmember Kagawa: When you have extraordinary events, you are going to have precedence being set. If you are going to fix the problem, you have to fix the problem. If not, then the problem still exists. I think sometimes you cannot avoid setting precedent.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I just want to thank the "Ross" for being proactive in helping this situation that will help the community much further down from where you are at, so thank you so much.

Council Chair Kaneshiro: Is there anyone else? If not, the motion is to approve.

The motion to approve C 2019-53 was then put, and carried by a vote of 6:0:1 (*Councilmember Brun was excused*).

C 2019-54 Communication (02/25/2019) from the Deputy Fire Chief, requesting Council approval, to accept a donation from the Kaua'i Lifeguard Association (KLA) of two (2) 2019 Ford Pickup Trucks equipped with bed racks, light bars, and sirens, valued at \$105,661.80, which will benefit the Ocean Safety Bureau:

Councilmember Kagawa moved to approve C 2019-54 with thank-you letter to follow, seconded by Councilmember Kualii.

Mr. Fountain-Tanigawa: Council Chair Kaneshiro, we have one (1) registered speaker.

Council Chair Kaneshiro: Do we have any questions on this first for the Administration? Councilmember Cowden.

There being no objections, the rules were suspended.

Councilmember Cowden: I am really happy to be receiving this. Shout out to Kaua'i Lifeguard Association for again coming through for the community. I have a very simple question, happy to receive these two (2) new trucks, but where are they going to be placed?

KILIPAKI K. F. VAUGHAN, Deputy Fire Chief: Good afternoon, Council. Kilipaki Vaughan, Deputy Fire Chief. The two (2) trucks donated from Kaua'i Lifeguard Association, valued at one hundred five thousand six hundred sixty-one dollars and eighty cents (\$105,661.80) will be utilized partly by the Wanini Roving Patrol and also at...

D. KALANI VIERRA, Water Safety Officer V: Kalani Vierra, Ocean Safety Bureau. It will also be utilized on the North Shore.

Councilmember Cowden: Okay. We are lucky. Thank you. It sounds like we are getting Wanini really set up right and we do have an awful lot of drownings on the North Shore as it is, my opinion, the gnarliest part of the island. Thank you.

Council Chair Kaneshiro: Are there any other questions from the members? If not, thank you. While the rules are still suspended...

Ms. Fountain-Tanigawa: The registered speaker is Trevor Ashworth.

Mr. Ashworth: I think this is my last comment for the day. I think it is great to get the donation. It really helps out the community and the community helps out the County. I am just wondering if we should not be establishing a policy to ensure that there is no quid pro quo in the future that any of these groups that are donating are truly the source of the fund that the source of the trucks are not going to be coming before the Planning Department or any other County organization or Department rather asking for an exception to policy or some sort of special dispensation and create sort of that no quid pro quo policy for a period of time after the donation. Thank you.

Council Chair Kaneshiro: Thank you. Are there any final comments from the member? Councilmember Evslin.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Councilmember Evslin: I just wanted to say how amazing it is that I feel like every other meeting, KLA is donating something else. First we had a jet ski, I believe, and a mule or quad of some fashion, and now, two (2) trucks. Now, we just received a list of potential new donations coming up in the next couple months; it is pretty incredible, the work that they do in pursuit of a goal of zero (0) drownings per year. So, I hope that this will be one more step that we can take in getting there. Thank you to KLA and thank you folks for being the beneficiaries.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I just want to acknowledge for KLA that some of the bigger donors in to that organization, contributors tend to be the visitor industry. Many of them are the ones who actually are requiring this service from our ocean safety, so it is in a sense the visitor industry paying for their impacts. It seems appropriate and then a lot of the other donators are the community themselves, going to these events, so I just want to address the last comment that came up that it really is not really much where I would see a quid pro quo anywhere. It is truly people stepping up that are appropriate to be stepping up, so we thank KLA and we thank the lifeguards. Thank you so much.

Council Chair Kaneshiro: Is there anyone else? I want to just say the same thing as everyone, but thanks to KLA, they have saved the County a lot of money. I know they fundraise very hard and then the County reaps the benefits of those fundraisers with donations like this. I wish we had an organization like that for every single Department, we would probably be driving around nice cars, and the County's budget would be looking a lot better. I am appreciative of KLA's work and all of their fundraising. We all know that it is not easy to put together a fundraising event and raise this type of money, so thank you.

The motion to approve C 2019-54 with thank you letter to follow was then put, and carried by a vote of 6:0:1 (*Councilmember Brun was excused*).

C 2019-55 Communication (02/26/2019) from the Deputy County Engineer, requesting Council approval to apply for, receive, and expend Emergency Watershed Protection Grant Funds from the National Resource Conservation Service (NRCS), in the amount of \$327,555 (75% of the estimated total project cost of \$436,740). The 25% matching funds will come from Act 12 moneys from the State of Hawai'i. The grant funds will be used to cover construction costs to repair damaged sections of the Kahuna Road shoulder and embankment adjacent to Kapa'a Stream that was eroded during the April 2018 flood event: Councilmember Kualii moved to approve C 2019-55, seconded by Councilmember Chock.

Council Chair Kaneshiro: Are there any questions from the members on this item? Councilmember Cowden. Now is the time to ask before we vote.

There being no objections, the rules were suspended.

Councilmember Cowden: I am in my learning process.

Mr. Tabata: Good afternoon, members. Chair and Vice Chair, Lyle Tabata, Deputy County Engineer.

Councilmember Cowden: Thank you for these drawings and for the location. On Kahuna Road, I seen how badly it has washed out. I am looking at the drawings, is this just basically boulders that you are bringing in and putting boulders down? Is that correct?

Mr. Tabata: I will defer to our Chief Engineer Michael Moule who is more familiar with this project.

Mr. Moule: For the record, I am Michael Moule, Chief of Engineering. Yes.

Councilmember Cowden: Is there any concrete in there at all, or are you just putting boulders there? Is it sort of a simple thing of putting it in?

Mr. Moule: Yes, that is correct. Just simple boulders to protect the embankment.

Councilmember Cowden: Okay. Thank you.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Mr. Moule, can you later share, the emergency watershed protection grant details? I am interested in what else is eligible and the parameters of it.

Mr. Moule: Sure, we can do that. I can answer a little bit now, although I do not have a lot of detail.

Councilmember Chock: Sure.

Mr. Moule: Just briefly, it is pretty limited. It specifically has to be used for protecting existing assets. It cannot be used to build anything new and it is pretty restrictive. Again, I do not know all the details off the top of my head right now. I have reviewed all these things months ago, soon after the storm and found that it was pretty limited in where we could apply those funds on County roads. This was the only or any County facilities...this was the only place on the island where it was the road next to the stream where doing the work right there was appropriate for these funds.

Councilmember Chock: So whenever we could, we have already tried to do so?

Mr. Moule: Yes.

Councilmember Chock: Thank you so much.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: I used to live in the area and I actually feel like I was one of the first people to come across the initial damage where the road literally just fell into the river, and it has been like that with no guardrail or anything for a while. It is great to hear that you folks are going to be working on it. I just want to make a comment. On page...the "A-5, Location D," there is work getting done on either side of the bridge there, and that bridge has often flooded, debris will get stuck under the little bridge, and then the river will jump right into the road. The entire road, maybe five (5) years ago, has shifted over...it just looks like that bridge has always been too small for the amount of water that will come underneath there during a flood. I do not know if that has been looked at before, but it often seems like a choke point.

Mr. Moule: I apologize. Is that the bridge that...I do not have...

Councilmember Evslin: Yes, it is the bridge that meets...there is a little stream that comes into the main stream...

Mr. Moule: Yes.

Councilmember Evslin: ...under the road. So, it looks like you folks are repairing on either side of that bridge and I hope that repair does not constrict the flow even more because it already seems too constricted under the bridge.

Mr. Moule: Yes, I am not familiar that much with how much water comes down that stream. I will say, however, the Kapa'a Stream in this area during the flood in April was a good three (3) to four (4) feet above the road, entirely. So, the entire area...and that bridge was pointless at that point, right, because no matter how much water is coming from the side, because it was overtopping the entire road at that point.

Councilmember Evslin: Yes.

Mr. Moule: But we have not done any studies about that. I do not think the intent is to constrict that any further. It is to shore up on the outside of the structure and not constrict the opening, so we should not change it, but we have not done that kind of study to say, "How does that smaller stream affect," because in this case much of the erosion was just...you could see debris on the fence lines that were three (3) to four (4) feet above the road after the storm. It was significant.

Councilmember Evslin: April was a different animal, for sure, but smaller floods...that is the first time I seen Kahuna Road jump or the main stream jump into the road, but the smaller stream will jump often because of the bridge.

Mr. Moule: Okay.

Councilmember Evslin: But thank you for the work though.

Mr. Moule: We were not aware, we can take a look, but I am not sure we can do much work because it is pretty restrictive to just this protection piece.

Council Chair Kaneshiro: Are there further questions from the members? If not, thank you. While the rules are still suspended, is there anyone in the audience wishing to testify on this item?

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Is there any final discussion? Councilmember Cowden.

Councilmember Cowden: I want to thank them for their nice presentation that helps to make it clear. I really appreciate the work that goes into that to make that understandable and I did, in fact, after getting it, go up, and look one more time before this meeting, so thank you very much.

Council Chair Kaneshiro: I will second that on the exhibit. It was very clear in the exhibit what work you were going to get done. Is there any further discussion?

The motion to approve C 2019-55 was then put, and carried by a vote of 6:0:1 (*Councilmember Brun was excused*).

C 2019-56 Communication (03/04/2019) from the County Clerk, requesting Council approval, to accept roundtrip airfare accommodations from Glen I. Takahashi, City Clerk, City & County of Honolulu, estimated in value to be approximately \$550 for two (2) employees to assist with the manual audit of the election results for the City & County of Honolulu's Special Election which will be held on April 13, 2019: Councilmember Kualii moved to approve C 2019-56, seconded by Councilmember Cowden.

Council Chair Kaneshiro: Any members have questions on this item? Is there anyone in the audience wishing to testify on this?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Is there any discussion? No.

The motion to approve C 2019-56 was then put and carried by a vote of 6:0:1 (*Councilmember Brun was excused*).

CLAIMS:

C 2019-57 Communication (02/08/2019) from the County Clerk, transmitting a claim filed against the County of Kaua'i by GEICO Insurance, as subrogee for Carter Daniel, for damages to his vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2019-58 Communication (02/20/2019) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Ameriprise Auto & Home Insurance, as subrogee for Linda Olguin, for damage to her vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i.

Councilmember Kagawa moved to refer C 2019-57 and C 2019-58 to the Office of the County Attorney for disposition and/or report back to the Council, seconded by Councilmember Kuali'i.

Council Chair Kaneshiro: Anyone in the audience wishing to testify on these? Seeing none.

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion to refer C 2019-57 and C 2019-58 to the Office of the County Attorney for disposition and/or report back to the Council was then put, and carried by a vote of 6:0:1 (*Councilmember Brun was excused*).

COMMITTEE REPORTS:PUBLIC WORKS & VETERANS SERVICES COMMITTEE:

A report (No. CR-PWVS 2019-02) submitted by the Public Works & Veterans Services Committee, recommending that the following be Received for the Record:

"PWVS 2019-01—Communication (02/07/2019) from Committee Chair Kagawa, requesting the presence of the Deputy County Engineer, to provide a briefing on the expansion of the Kekaha Landfill, as well as the status of the landfill operations, including addressing the issue of the requirement to utilize dirt as cover for the landfill, who is responsible to provide the material, and any other related matters regarding landfill expansion,"

Councilmember Kagawa moved for approval of the report, seconded by Councilmember Kuali'i.

Council Chair Kaneshiro: Is there anyone in the audience wishing to testify on this?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Seeing none, is there any discussion from the members?

The motion for approval of the report was then put, and carried by a vote of 6:0:1 (*Councilmember Brun was excused*).

PARKS & RECREATION / TRANSPORTATION COMMITTEE:

A report (CR-PRT 2019-01) submitted by the Parks & Recreation / Transportation Committee, recommending that the following be Received for the Record:

“PRT 2019-01—Communication (02/07/2019) from Council Vice Chair Kagawa, requesting the presence of the Acting Chief of Police and the Director of Parks and Recreation, to provide a briefing on the removal of derelict vehicles at County parks and beaches,”

Councilmember Kagawa moved for approval of the report, seconded by Councilmember Kualii.

Council Chair Kaneshiro: Is there anyone in the audience wishing to testify on this?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Seeing none, is there any discussion from the members?

The motion for approval of the report was then put, and carried by a vote of 6:0:1 (*Councilmember Brun was excused*).

PLANNING COMMITTEE:

A report (No. CR-PL 2019-02) submitted by the Planning Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2733 – A BILL FOR AN ORDINANCE AMENDING ZONING DESIGNATION IN KAPAHI, KAUAI (*Baird Family Limited Partnership, Applicant*) (ZA-2018-1),

A report (No. CR-PL 2019-03) submitted by the Planning Committee, recommending that the following be Received for the Record:

“PL 2019-02 Communication (02/06/2019) from Committee Chair Chock, requesting the presence of the Planning Director, to provide a briefing on the Administration’s enforcement efforts as it relates to Transient Vacation Rental (TVR) Regulations,”

Councilmember Chock moved for approval of the reports, seconded by Councilmember Kualīi.

Council Chair Kaneshiro: Is there anyone in the audience wishing to testify on this?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Seeing none, is there any discussion from the members?

The motion for approval of the reports was then put, and carried by a vote of 6:0:1 (*Councilmember Brun was excused*).

RESOLUTIONS:

Resolution No. 2019-24 – RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE BOARD OF WATER SUPPLY (*Kurt S. Akamine*): Councilmember Kualīi moved for adoption of Resolution No. 2019-24, seconded by Councilmember Chock.

Council Chair Kaneshiro: Is there anyone in the audience wishing to testify on this?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Seeing none, is there any discussion from the members? Councilmember Kagawa.

Councilmember Kagawa: I think the Board of Water Supply is a very important Board. I have known Kurt a good part of my life, he is a fellow Waimea High School grad and a successful businessman. I have seen him in action and I know that he will do his due diligence and will speak up and that is what we need. We need a voice that will count on something so important as the Board of Water Supply. I am appreciative of Ellen for all of the nominees in this round. I also want to announce that on the second nomination, I need to recuse myself for personal reasons.

Council Chair Kaneshiro: Okay. Is there anyone else with discussion on Kurt's nomination? If not, can we have a roll call vote?

The motion for adoption of Resolution No. 2019-24 was then put, and carried by the follow vote:

FOR ADOPTION:	Chock, Cowden, Evslin, Kagawa, Kualii, Kaneshiro	TOTAL – 6,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Brun	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Six (6) ayes and one (1) excused.

(Councilmember Kagawa was noted as recused.)

Resolution No. 2019-25 – RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE CHARTER REVIEW COMMISSION *(Lori K. Koga)*: Councilmember Kualii moved for adoption of Resolution No. 2019-25, seconded by Councilmember Chock.

Council Chair Kaneshiro: Is there anyone in the audience wishing to testify on this?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Is there any discussion from the members? Councilmember Kagawa is recused. Roll call vote.

The motion for adoption of Resolution No. 2019-25 was then put, and carried by the follow vote:

FOR ADOPTION:	Chock, Cowden, Evslin, Kualii, Kaneshiro	TOTAL – 5,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Brun	TOTAL – 1,
RECUSED & NOT VOTING:	Kagawa	TOTAL – 1.

Ms. Fountain-Tanigawa: Five (5) ayes.

Council Chair Kaneshiro: Next item.

(Councilmember Kagawa was noted as present.)

Resolution No. 2019-26 – RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE SALARY COMMISSION (*Leland K. Kahawai*): Councilmember Kuali'i moved for adoption of Resolution No. 2019-26, seconded by Councilmember Chock.

Council Chair Kaneshiro: Is there anyone in the audience wishing to testify on this?

There being no objections, the rules were suspended to take public testimony.

ALICE PARKER: Alice Parker, for the record. I want to rewind to the Board of Water Supply. I am sorry, I am slow and I did not get here for transportation, my own blah. As far as water, is there something we can do to speed up the end use of cesspools, because I know from a friend that sometimes they are dumped back...

Council Chair Kaneshiro: Ms. Parker.

Ms. Parker: That is not the issue, but I wanted to stick this in. Thank you.

Council Chair Kaneshiro: Yes. Is there anyone else who wants to testify on the Resolution for Leland Kahawai for the Salary Commission? If not, is there any discussion from the members? Can we have a roll call vote?

There being no further testimony, the meeting was called back to order, and proceeded as follows:

The motion for adoption of Resolution No. 2019-26 was then put, and carried by the follow vote:

FOR ADOPTION:	Chock, Cowden, Evslin, Kagawa, Kuali'i, Kaneshiro	TOTAL – 6,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Brun	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Six (6) ayes and one (1) excused.

Council Chair Kaneshiro: Next item.

(*Councilmember Evslin was noted as recused.*)

BILL FOR SECOND READING:

Bill No. 2733 – A BILL FOR AN ORDINANCE AMENDING ZONING DESIGNATION IN KAPAHI, KAUAI (*Baird Family Limited Partnership, Applicant*) (*ZA-2018-1*): Councilmember Chock moved to approve Bill No. 2733, on second and final reading, and that it be transmitted to the Mayor for his approval,

seconded by Councilmember Kagawa.

Council Chair Kaneshiro: Councilmember Evslin is recused on this. Do we have any questions for the Administration? If not, is there anyone in the audience wishing to testify on this? Seeing none. Is there any final discussion? Councilmember Kagawa.

Councilmember Kagawa: I would like to thank the Baird family for being here and being so patient all morning and all the afternoon. I support the Planning Commission and the Planning Department's recommendation for the Baird family to expand on their farming. I wish them much success as they try and do what all residents say, which is, "Why do we not grow more things here locally," and they are doing exactly that. I support that type of venture. Thank you.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I would like to say that I am also willing to support this. I feel that it is important when we have family farms, especially as that family grows into multiple generations that they can all live comfortably and in a sound way that works for them on their farm together. I particularly am supporting this because it is not a work around to subdivide the property. It is the direction I think we need to be moving. Thank you.

Council Chair Kaneshiro: Is there anyone else? I was not on the Committee. I will make my comments now. I look at this Bill as on an individual basis. I will be in support of this Bill. I do know that the Baird family is active in agriculture and they did receive testimony from farmers such as Jerry Ornellas, Johnny Gordines, and to me that weighs a lot on whether the Baird family is actually going to do agriculture or not, which they are. It said in the Planning report also, so for me if other people come in with a request like this, it is not a guarantee vote. It really is based on the individual situation and in this situation, I will be voting in favor of it. Councilmember Cowden.

Councilmember Cowden: I am going to agree with you when I say I like the direction of this is when it is truly a family farming their land, so I am in agreement with what you just said.

Council Chair Kaneshiro: Is there further discussion? If not, roll call vote.

The motion to approve Bill No. 2733, on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

FOR ADOPTION:	Chock, Cowden, Kagawa, Kualii, Kaneshiro	TOTAL – 5,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Brun	TOTAL – 1,
RECUSED & NOT VOTING:	Evslin	TOTAL – 1.

Ms. Fountain-Tanigawa: Five (5) ayes.

Council Chair Kaneshiro: With that, can you read us into Executive Session?

EXECUTIVE SESSION:

ES-982 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council to obtain settlement authority in Kaua'i Ferals dba Kaua'i Community Cat Project vs. Kaua'i County Council et al., Civil No. 16-1-0142 (Fifth Circuit Court), and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

(Councilmember Evslin was noted as present.)

ES-983 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(3), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council to discuss the acquisition of several large parcels of land for community based needs including affordable housing, park facilities, and the expansion of public utilities. This briefing and consultation involves consideration of the powers of the Council and the County as they relate to this agenda item.

Councilmember Kagawa moved to convene in Executive Session for ES-982 and ES-983, seconded by Councilmember Chock.

Council Chair Kaneshiro: Is there anyone in the audience wishing to testify on this?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: Seeing none, is there any discussion from the members? Councilmember Kagawa.

Councilmember Kagawa: I received a complaint recently from our workers at Wailua Golf Course. From what I heard, they removed some cats from the Wailua Golf Course area; there are a lot of feral cats there. They got them spayed and neutered and then they returned it back to the course. I guess the workers there were saying, "Why would you bring the cats back," but I guess it is a policy that they can do that. They can spayed and neuter it and then they can return it where the cats were. According to the workers, the Kaua'i Humane Society seemed to have brought

more than allowed. I do not know if I am drifting, Matt, but I just want to make sure that...I do value the humane treatment of cats; however, I do value human lives more. If there is a health and safety problem with our policy, then I think we need to fix the policy. Thank you.

Council Chair Kaneshiro: Is there any other discussion? If not, roll call vote to go into Executive Session.

The motion to convene in Executive Session for ES-982 and ES-983 was then put, and carried by the following vote:

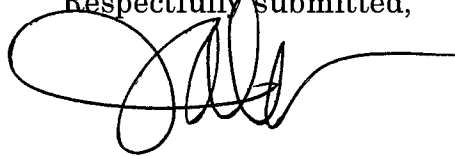
FOR EXECUTIVE SESSION:	Chock, Cowden, Evslin, Kagawa, Kualii, Kaneshiro	TOTAL – 6,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Brun	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Chair Kaneshiro: That concludes the business on our agenda.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 2:35 p.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA
County Clerk

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